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1 UNITED STATES DISTRICT COURT  
2 EASTERN DISTRICT OF NEW YORK  
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3 UNITED STATES OF AMERICA, 19-CR-576 (BMC)  
4  
5 -versus- February 06, 2023  
6 GENARO GARCIA LUNA, 9:30 a.m.  
7 Defendant.  
8 -----x

9 TRANSCRIPT OF CRIMINAL CAUSE FOR TRIAL  
10 BEFORE THE HONORABLE BRIAN M. COGAN  
UNITED STATES DISTRICT JUDGE  
Before of jury

12 APPEARANCES

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24

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1                   (In open court.)

2                   THE COURTROOM DEPUTY: All Rise.

3                   THE COURT: Have a seat. With regard to this  
4 weekend's motions. My ruling on number 193 is this: I'm not  
5 going to let in the evidence of alleged bribery of newspapers  
6 not to run derogatory articles. I don't agree with the  
7 Government's interpretation of my prior offer. I was focused  
8 on witnesses not bribing newspapers. But forgetting about  
9 that -- and I am forgetting about that -- because even if I  
10 did what the Government says I did, I don't want to double  
11 down on something that was wrong. It strikes me that this is  
12 purely propensity evidence. It is not suppressing any story  
13 that's connected directly to this case. I really I don't see  
14 any basis for calling it 404(b) evidence.

15                  And I also don't think that the defendant opened the  
16 door by showing he's in the newspapers. They didn't say he's  
17 in the newspapers in a wonderful congratulatory way; they said  
18 he's well known, that was the purpose for that evidence.

19                  I think it would be -- even if I thought it was  
20 404(b) evidence, I would exclude it under 403 because it is  
21 highly prejudicial and really doesn't have much probative  
22 value as to this crime, if any probative value.

23                  On the Government's letter requesting remedies, I  
24 have to say Mr. Miedel, it's very bad, very bad. I'm not  
25 going to change the schedule because of it. I'm just going to

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1 tell defense attorneys that, you know, you put in CJA vouchers  
2 and I can cut those as a sanction. I might. I'm going to  
3 withhold determination of that until the end of the case. But  
4 I have got to tell you, the conduct is just not careful  
5 enough. You know this is a sensitive, high-profile case. But  
6 I'm not going to change the Government's disclosure issues  
7 because I do feel it was not intentional. The first  
8 disclosure was negligent. The second disclosure was grossly  
9 negligent. If there is a third disclosure, it's going to be  
10 that level of gross negligence that is interchangeable with  
11 intent. So something will have to be done at that point. I'm  
12 sure defense counsel will be more careful.

13           With regard to the ambassador today. I have to  
14 agree with the defendants, that it's just not fair to spring a  
15 major witness so close to calling him. It's not the quantity  
16 of the production pertaining to the witness, it's the  
17 importance of the witness. That's a very important witness.  
18 You can't tell them late last night, you know, put everything  
19 else aside now and prepare for this witness. It's not enough  
20 time.

21           Government has an option here. You can call the  
22 witness and take direct and then we'll do cross tomorrow. Or  
23 you can just put him off all together until tomorrow. What do  
24 you want to do?

25           MS. KOMATIREDDY: Your Honor, we'll just check with

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1 the witness, if you don't mind.

2 THE COURT: Sure.

3 MS. KOMATIREDDY: It will likely be that we put it  
4 on tomorrow.

5 THE COURT: That completes my business.

6 I see Mr. De Castro has more business.

7 MR. DE CASTRO: I do. Judge, if you were going to  
8 raise the technical stuff, I think that's been fixed. Am I  
9 right? All fixed.

10 THE COURT: Everyone sit down.

11 MR. DE CASTRO: I have one issue, though.

12 THE COURT: Go ahead.

13 MR. DE CASTRO: This witness yesterday --  
14 Thursday -- testified that he allegedly witnessed this event,  
15 then he went to Congress and then wrote a private letter to  
16 Congress, and then that Congresswoman said, can I go to the  
17 press, and then that ultimately went to the press, I think is  
18 what he said, then that was sort of it.

19 Now, I want to explore that -- not a lot. I want to  
20 ask the witness about that. And when I discussed this with  
21 the Government -- and they don't know what my cross is of  
22 course -- I asked whether they intended to introduce the  
23 actual article we're talking about. Because an article was  
24 written based on this person's report to the press. I don't  
25 think that article is in any way admissible. I don't think

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1 it's admissible and it's a 403 issue.

2           But I want to make sure I'm not opening the door to  
3 something, because the Government said depending on your cross  
4 whether we want to introduce it. I have a copy for the Court,  
5 if the Court wants to see the article.

6           I'm not doing a ton on it. My intention was that it  
7 went to the press and that a story was written and it was sort  
8 of widely read. Everybody has been reading about this since  
9 2008. This story of this kidnap has been in the Mexican  
10 folklore for years now, various versions of it. As we've seen  
11 in this trial, various versions from witnesses.

12           MS. KOMATIREDDY: May I add context, your Honor?

13           MR. DE CASTRO: If you want the article?

14           MS. KOMATIREDDY: The issue Mr. De Castro raises is  
15 connected to the motion at ECF193, obviously your Honor has  
16 noted that.

17           Here is what going on factually. The witness from  
18 Friday witnesses this event, going to Congress, the  
19 Congresswoman asked if she could pass it to Proceso Magazine.  
20 The witness meets from the journalist from magazine. It is  
21 widely published.

22           Of course the Government would not seek to use a  
23 news article to prove its case, which is why we did not admit  
24 it in direct. However, I expect that Mr. De Castro may  
25 attempt to suggest that the witness did not actually, was not

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1 the source of the article but rather learned of the event from  
2 the article. Therefore, the date of the article and the date  
3 of the witness's report to Congress are relevant.

4 This is also why, I apologize that we did not make  
5 this more clear in our response, this is also why the  
6 testimony about bribery is relevant. Because it is to tamp  
7 down negative press related to this case, related to Mr.  
8 Garcia Luna --

9 THE COURT: But it didn't get tamped down. This was  
10 published.

11 MS. KOMATIREDDY: Those payments were after this.  
12 The payments that the witness will testify about were after,  
13 post-date.

14 THE COURT: This triggered the plan to shut down  
15 further derogatory press.

16 MS. KOMATIREDDY: That's right, your Honor.

17 THE COURT: Mr. De Castro, having heard that, what  
18 do you want to do? Because there is a door opening risk here.

19 MR. DE CASTRO: I hear you. First of all, I don't  
20 think this triggers that, by the way. I don't think that  
21 witness that you, on your ruling said, oh, it's this story  
22 that triggered it. That's not -- I don't think that's  
23 factually correct.

24 I was not challenging the witness in terms of  
25 whether he read it and then is reporting it. I'm just bringing

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1 out the fact that a story was written, which they already did,  
2 they brought that out, and that it was widely covered. That's  
3 pretty much it. It became this story that has been running  
4 for ten years. Essentially that's it, that's all I was doing.

5 THE COURT: Okay. Be careful. If you do it that  
6 way, it sounds okay.

7 MR. DE CASTRO: Yes.

8 THE COURT: But I obviously can't give you a  
9 guarantee that you're not opening a door.

10 MS. KOMATIREDDY: I'm a little confused, your Honor.  
11 If the story is written and it's widely covered and our  
12 witness who assisted Mr. Garcia Luna with bribery says that he  
13 did so in order to tamp down this allegation that he met with  
14 narco traffickers. Doesn't that open the door?

15 THE COURT: I don't think so. Because you got the  
16 bad article and it still makes the proof the subsequent  
17 payments to suppress future bad articles really irrelevant to  
18 the issues here, or at least not very probative of the issues  
19 here. You wanted to prove through this witness that in fact  
20 he saw something, he reported it, and that an article was  
21 published about it. That's it. That's all that I think  
22 matters. The fact that oh, well, in the future the defendant  
23 took actions to make sure this wouldn't happen again, I really  
24 don't see the connection to the crimes in this case.

25 MS. KOMATIREDDY: I think, your Honor, our primary

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1 argument was that it shows consciousness of guilt.

2 THE COURT: It does. I don't know if it shows  
3 consciousness of guilt of the charged crimes, first of all.  
4 I'm not saying that. There are lots of reasons people want  
5 publicity. But to the extent it does, it really is outweighed  
6 by the prejudicial impact, which is huge.

7 So I'm not going to let you do that. Let's have the  
8 jury, please.

9 If your witness testified that he reported it and  
10 the Congressperson reported it to the press and someone said,  
11 and it wasn't covered because of a payment, that I would let  
12 in.

13 MS. KOMATIREDDY: We do have a witness who will  
14 testify to that, your Honor.

15 THE COURT: But it was let in, the article appeared.

16 MS. KOMATIREDDY: I see what you're saying. I see.

17 Our point is, we have a witness who will testify  
18 that after this they made the bribe payment. Then another  
19 witness will testify there is a decrease in press that  
20 connects Mr. Garcia with drug traffickers.

21 THE COURT: That has the problems that I have  
22 identified. I'm just saying, if this article had not run  
23 about this crime because of bribery of a journalist, I would  
24 let that in. That would be very strong consciousness of  
25 guilt. What you're positing is conceivably consciousness of

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1 guilt, but just as conceivably not wanting to have bad press.

2 This is a week where Thursday will be off and  
3 Friday.

4 I was asked by the courtroom sketch artist,  
5 Ms. Rosen, if you have someone who needs to be obscured tell  
6 her before she goes through all the trouble of drawing the  
7 actual likeness. We didn't do that last week.

8 (Jury enters the courtroom.)

9 THE COURT: Everyone be seated. Good morning ladies  
10 and gentlemen. Hope you had a good weekend. I've been told  
11 that this is one of the Thursdays that someone needs to take  
12 off and we said we would do that. I believe this is the last  
13 one, but you'll let me know if I'm wrong about that. So we  
14 won't sit this week on Thursday or Friday. We'll resume on  
15 the following Monday.

16 Let's have the witness back, please.

17 (Continued on next page.)

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FRANCISCO CANEDO ZAVALETA - CROSS - MR. DE CASTRO 077

1 (Witness takes the witness stand.)

2 **FRANCISCO CANEDO ZAVALETA**, called as a witness, having been  
3 previously first duly sworn/affirmed, was examined and  
4 testified previously first duly sworn/affirmed:

5 THE WITNESS: Good morning everyone.

6 THE COURT: You are still under oath, sir.

7 Please proceed with cross-examination, Mr. De  
8 Castro.

9 MR. DE CASTRO: Thank you, Judge.

10 CROSS-EXAMINATION

11 Q Good morning, Mr. Zavaleta.

12 A Good morning.

13 Q Am I right that you started in the federal police in  
14 1993?

15 A Yes.

16 Q That was the federal judicial police, right?

17 A Yes.

18 Q And you were investigating drug trafficking  
19 organizations, right?

20 A Yes.

21 Q During the early part of your career, you were part of  
22 some elite federal police units, right?

23 A Yes.

24 Q You investigated and arrested members of the Gulf Cartel,  
25 correct?

FRANCISCO CANEDO ZAVALETA - CROSS - MR. DE CASTRO 078

1 A Yes.

2 Q You investigated and arrested members of the Millennial  
3 Cartel as well, correct?

4 A I investigated them.

5 Q However, in 2000 you, along with several other officers  
6 you knew, were placed on limited duty and had to undergo  
7 additional training and testing, right?

8 A I can't answer with a yes or no to that.

9 Q In 2000 did you have to undergo additional testing?

10 A Not just in 2000, but starting in 1997.

11 Q So for a few years you had to do some additional testing  
12 and training, correct?

13 A Just testing.

14 Q The types of testing we're talking about were  
15 psychological testing, right?

16 A Not just psychological ones.

17 Q But one of them was psychological testing, right?

18 A I affirm to that.

19 Q There was also some polygraph testing as well, right?

20 MS. KOMATIREDDY: Objection.

21 THE COURT: Sustained.

22 BY MR. DE CASTRO:

23 Q There was also evaluating of your finances and things  
24 like that, right?

25 A Socio-economical ones, yes.

FRANCISCO CANEDO ZAVALETA - CROSS - MR. DE CASTRO 079

1 Q This additional testing and evaluation was part of the  
2 police changes instituted by President Fox, correct?

3 A No.

4 Q President Fox was not the president during 1997?

5 A No.

6 Q Who was the president?

7 A I don't remember. I think it was Salinas.

8 Q Did you know during that time period where Mr. Garcia  
9 Luna was working?

10 A No.

11 Q Isn't it true that he was part of the federal police?

12 A At that time, and you're referring to me personally or to  
13 the gentleman?

14 Q I'm talking about Mr. Garcia Luna.

15 A In '97, no.

16 Q Because then in 1998 to the year 2000 he was a supervisor  
17 in the federal police, right?

18 A Could you repeat the question?

19 Q Because from 1998 to 2000 he was a supervisor in the  
20 preventive federal police, correct?

21 A I saw him in '99 with the preventive federal police.

22 Q So the answer is yes, correct?

23 A In regards to the period of time that you're asking  
24 about, I can't answer with a yes or a no.

25 Q But do you know that from 2000, around 2000, he was the

FRANCISCO CANEDO ZAVALETA - CROSS - MR. DE CASTRO Q080

1 director of planning and operations for the federal judicial  
2 police, right?

3 A As far as I know that was starting in 2001.

4 Q Now, you said on direct examination, despite the fact  
5 that Mr. Garcia Luna's name appears and someone  
6 administratively signed for him, that he was not responsible  
7 for your removal, right?

8 MS. KOMATIREDDY: Objection mischaracterizing the  
9 document.

10 THE COURT: Sustained.

11 BY MR. DE CASTRO:

12 Q Do you believe Mr. Garcia Luna was responsible for  
13 removal at least in part?

14 A No.

15 Q His name -- he had no involvement at all in your removal  
16 from the federal police?

17 A I cannot blame him.

18 Q That's your testimony. You have no ill will, you have no  
19 ill will towards Mr. Garcia Luna?

20 A No. Even so that I reported before the local Attorney  
21 General's offices and the DGCI AFI the situation, and nothing  
22 ever came of that. Because they went far from the first line  
23 of investigation. I could elaborate so that this is clearer,  
24 but I don't think it makes any sense in this case.

25 Q I'd ask you to just answer my questions okay.

FRANCISCO CANEDO ZAVALETA - CROSS - MR. DE CASTRO 081

1 A Okay.

2 Q In 2000 or 2001 you were asked to leave the police force,  
3 correct?

4 A August 2000.

5 Q At that point you went to work for a local prison; is  
6 that correct?

7 A That was from May 2004 to February 2008.

8 Q You also went and worked for a law firm, right?

9 A Yes.

10 Q We talked a little bit earlier about this set of testing  
11 that was required, right?

12 A Yes.

13 Q You and your colleagues felt this was unfair, right?

14 A Yes.

15 Q Not only that, you felt it was illegal, right?

16 A It was.

17 Q And you wanted to prevent not only that, but you wanted  
18 to prevent this merger of the federal police that you talked  
19 about, right?

20 A It was done.

21 Q And again, you felt that was illegal as well, right?

22 A It was.

23 Q You felt there was a campaign targeting you and your  
24 fellow officers, right?

25 A I don't understand the question.

FRANCISCO CANEDO ZAVALETA - CROSS - MR. DE CASTRO 082

1 Q You believed there was a campaign against you to get you  
2 out of the police force, right?

3 A Yes.

4 Q Someone was targeting you, right?

5 A I can't say that someone was, I don't know who that  
6 someone was.

7 Q But you believe it was someone, right?

8 A I repeat, I can't attest to someone.

9 Q I'm not asking you to tell me the name, I'm saying --

10 THE COURT: Let me help.

11 He's not asking you to identify who this person is.

12 He's asking you if you believe that there was such a person,  
13 whoever it was.

14 THE WITNESS: It was a political situation.

15 THE COURT: Can you answer my question, please?

16 THE WITNESS: Yes.

17 THE COURT: Okay. Do you believe there was such a  
18 person or not?

19 THE WITNESS: Yes.

20 THE COURT: Okay, continue.

21 MR. DE CASTRO: Thank you, Judge.

22 BY MR. DE CASTRO:

23 Q You said there was a political reason, whatever it was,  
24 for this person to get rid of you, right?

25 A To use our positions.

FRANCISCO CANEDO ZAVALETA - CROSS - MR. DE CASTRO 083

1 Q They were trying to get rid of you for some political  
2 reason, in your mind, right?

3 A Yes.

4 Q And you were -- withdrawn. You testified on direct  
5 examination about your colleague and friend Oscar Granados  
6 Salero. Do you remember that?

7 A Yes.

8 Q He also had to go through all this new testing, right?

9 A I don't know.

10 Q And he was asked to leave the police department just like  
11 you, right?

12 A I don't know.

13 Q We can discuss that later.

14 Mr. Salero, you're aware, shared your beliefs about  
15 the illegality of the merger of the federal police, right?

16 A Yes.

17 Q That was something you and he discussed at length?

18 A Yes.

19 Q You and he discussed at length the ways in which you  
20 could try to prevent that merger?

21 A No.

22 Q In 2006 you were permitted to return to the police force  
23 after six years, right?

24 A That was at, the order that came from the judicial branch  
25 of the Mexican federation.

FRANCISCO CANEDO ZAVALETA - CROSS - MR. DE CASTRO 084

1 Q Sir, my question was, you were permitted to go back to  
2 the federal police, correct?

3 A Yes.

4 Q You were now back at the police but you were at the  
5 lowest level officer, right, a Level C officer?

6 A I was already officer Level C since I started my career.

7 Q But you were in your career from 1993 until 2000 right,  
8 seven years?

9 A Yes.

10 Q And you had stayed at the lowest level, right?

11 A Yes.

12 Q Now that you were back at the federal police in 2006, you  
13 were -- withdrawn.

14 Now back in at the federal police in 2006 you were  
15 no longer an investigating police officer, right?

16 A Excuse me?

17 Q When you returned to the federal police in 2006, you were  
18 no longer an investigating police officer, correct?

19 A Yes, I was.

20 Q When you came back in 2006, you were investigating the  
21 cartels?

22 A No. I just, I didn't have that type of function any  
23 more, that's different.

24 Q Your responsibilities were to guard a building, right?

25 A Yes, up until a certain period of time.

FRANCISCO CANEDO ZAVALETA - CROSS - MR. DE CASTRO 085

1 Q You were doing security, right?

2 A Yes.

3 Q You were not a supervisor, right?

4 A No.

5 Q You were not making decisions, correct?

6 A No.

7 Q You were handling the ins and outs of visitors of a  
8 police officer building, right?

9 A Among other activities, yes.

10 Q Those other activities were to make sure people didn't  
11 park in the wrong place, right?

12 A Yes.

13 Q To make sure they didn't bring in food to the building  
14 that was not allowed, right?

15 A Yes.

16 Q And to stand guard?

17 A Yes.

18 Q And at some point you were standing guard in the building  
19 in which Mr. Garcia Luna was working, right?

20 A Yes.

21 Q And you saw him often, right?

22 A Yes.

23 Q He didn't know you, right?

24 A Yes.

25 Q He didn't even really notice you, right?

FRANCISCO CANEDO ZAVALETA - CROSS - MR. DE CASTRO 086

1 A Yes.

2 Q Even though you and others thought maybe you even looked  
3 like him?

4 A Yes.

5 Q He was part of the leadership that had wanted to  
6 illegally merge the police, right?

7 A I'm sorry? I didn't understand.

8 Q He was part of the leadership that wanted to illegally  
9 merge the police, right?

10 A They started to do it.

11 Q He was part of the leadership that had you assigned to  
12 guard an office building, right?

13 A Through his subordinates.

14 Q Now you saw Mr. Mr. Garcia Luna and you saw that he  
15 traveled with a security detail, right?

16 A Always.

17 Q He had many armed guards with him, right?

18 A The weapons were discreetly put away by the guards.

19 Q Okay. You couldn't see their arms, but you knew he had  
20 an armed detail, correct?

21 A Yes.

22 Q And he and his detail traveled in armored SUVs, right?

23 A Yes.

24 Q And with dark tinted windows, right?

25 A Not all the windows.

FRANCISCO CANEDO ZAVALETA - CROSS - MR. DE CASTRO Q087

1 Q Usually you don't tint the windshield, right?

2 A Neither do the windows in the front seat, the driver and  
3 the passenger seat windows.

4 Q You talked about on direct examination how in October of  
5 2018, you say you happen to witness an incident with  
6 Mr. Garcia Luna and Arturo Beltran Leyva. Do you remember  
7 that?

8 MS. KOMATIREDDY: Objection misstates the date.

9 THE COURT: Sustained.

10 MR. DE CASTRO: I didn't hear the date.

11 THE COURT: It mischaracterizes the testimony. Put  
12 it again.

13 BY MR. DE CASTRO:

14 Q You talked on direct examination, you testified about  
15 something you say you saw in October of 2018, right?

16 MS. KOMATIREDDY: Same objection, your Honor.

17 THE COURT: It wasn't October.

18 MR. DE CASTRO: I'm sorry?

19 THE COURT: It wasn't October.

20 MS. KOMATIREDDY: October 2008, your Honor.

21 MR. DE CASTRO: Sorry. I think it was October --

22 BY MR. DE CASTRO:

23 Q October 2008, I'm sorry. Let me do the question again.

24 On direct examination you talked about how in  
25 October 2008 you say you happened to see an incident involving

FRANCISCO CANEDO ZAVALETA - CROSS - MR. DE CASTRO 088

1 Mr. Garcia Luna, correct?

2 A Yes.

3 Q Around 15 years ago, right?

4 A I haven't counted how much time went by, but it was in  
5 October 2008.

6 Q So 2023 to 2008 is around 15 years, correct?

7 A If you say so, yes.

8 Q Okay. You happen to be driving in the country, right?

9 A It's not the country, it's the highway.

10 Q The highway that goes outside of Mexico City, right?

11 A No.

12 Q Is it in Mexico City?

13 A It is in Mexico City.

14 Q Okay. Is it near Morelos, correct?

15 A Yes.

16 Q Do you agree with me some people might say it's like a  
17 suburb in the country?

18 A Rural, yes.

19 Q Rural. Over the years you've told people what you saw,  
20 right?

21 A No.

22 Q Well, this Government in meetings with them, what you  
23 saw, right?

24 A That was exceptionally.

25 Q You told a Congresswoman, did you not forget that?

FRANCISCO CANEDO ZAVALETA - CROSS - MR. DE CASTRO 089

1 A That was within that exceptionality; I told three people.

2 Q What you testified to is that you saw Mr. Garcia Luna on  
3 the side of the road, right?

4 A Yes.

5 Q What you didn't mention on direct is you believe you also  
6 saw his security detail lying on the ground, right?

7 A I saw part of that.

8 Q On direct exam you said there were people behind the cars  
9 but I didn't really see them.

10 A That's how it was.

11 Q That's how it was. But now there are people on the  
12 ground, lying on the ground too, right?

13 A I saw shapes of people, but I didn't look in detail to  
14 their features.

15 Q But those shapes of people, you believed to be his  
16 security detail on the ground, right?

17 A Yes.

18 Q You say this was happening in broad daylight, right?

19 A Yes.

20 Q Around noon, middle of the day, right?

21 A Yes.

22 Q In a populated area?

23 A No.

24 Q People don't live around there?

25 A I don't know. As you said, it's country, it's rural it's

FRANCISCO CANEDO ZAVALETA - CROSS - MR. DE CASTRO 090

1 a rural area.

2 Q So now it's the country, not really part of Mexico City?

3 MS. KOMATIREDDY: Objection.

4 THE COURT: Overruled.

5 A It is Moralos, not Mexico City.

6 MR. DE CASTRO: Can I ask the Government, I don't  
7 know if -- we can do it. I'm sorry.

8 Can I show what is in evidence as Government Exhibit  
9 726.

10 BY MR. DE CASTRO:

11 Q Do you remember being shown exhibit 726?

12 A Yes.

13 Q That arrow points to where you say this happened, right?

14 A I'm sorry, where what happened?

15 Q The incident with Mr. Garcia Luna that we're talking  
16 about.

17 A No.

18 Q It did not happen here?

19 A No.

20 Q Okay, let's look at exhibit 727. Do you remember being  
21 shown this on direct examination by the Government?

22 A Yes.

23 Q Is this the area you're saying you saw what happened, or  
24 is this the area that you say they turned into a little bit  
25 down the road?

FRANCISCO CANEDO ZAVALETA - CROSS - MR. DE CASTRO 091

1 A When they did turn to go into the place, that part is  
2 correct.

3 Q Uh-huh. Can we go back to 726 again?

4 MS. KOMATIREDDY: You're looking for 741.

5 MR. DE CASTRO: Thank you for your help.

6 BY MR. DE CASTRO:

7 Q 726, there is a lot of houses in that picture, aren't  
8 there?

9 A Yes.

10 Q Looks like a well-populated area, isn't it?

11 A That part is more populated, yes.

12 Q You say this whole thing is happening in broad daylight  
13 at 12:00 o'clock in the afternoon, right?

14 MS. KOMATIREDDY: Objection. Mischaracterizes the  
15 testimony.

16 THE COURT: Sustained.

17 Q You say this is happening in --

18 THE COURT: Mr. De Castro, you're free to walk  
19 around but if you're going to, you need to put on a lapel mic.

20 BY MR. DE CASTRO:

21 Q You say this is happening at 12:00 o'clock in the  
22 afternoon, correct?

23 A At that point, yes, it was approximately that time.

24 Q October 19 of 2008 was a Sunday, right?

25 A Yes.

FRANCISCO CANEDO ZAVALETA - CROSS - MR. DE CASTRO 092

1 Q On Sundays that's a day where families spend together,  
2 right?

3 A Yes.

4 Q Families are out and about doing whatever it is they do  
5 on their days off, right?

6 A Yes.

7 Q And I think you had testified that down the street from  
8 where you say you saw Mr. Garcia Luna standing, there was a  
9 hotel down the road, right?

10 A No.

11 (Continued on next page.)

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FRANCISCO CANEDO ZAVALETA - CROSS - MR. DE CASTRO Q093

1       CROSS-EXAMINATION (Continuing)

2       BY MR. DE CASTRO:

3       Q       How far away was the hotel you testified about on direct?

4       A       I don't know the distance.

5       Q       Now, those shapes that you saw on the ground, you also  
6       saw that or you say you saw that they were handcuffed, right?

7       A       No, I didn't say that.

8       Q       You never said that?

9       A       No.

10      Q       And you said you saw --

11            MR. DE CASTRO: May I approach, Your Honor?

12            THE COURT: Yes.

13            MR. DE CASTRO: Actually, let me ask a question  
14       first.

15      Q       Do you remember being interviewed by the government in  
16       March of 2021?

17      A       Yes.

18      Q       And you were meeting with U.S. agents and prosecutors,  
19       right?

20      A       Agents.

21      Q       And do you remember telling them that the individuals on  
22       the ground appeared to be handcuffed and were not wearing  
23       uniforms?

24      A       They didn't have uniforms.

25      Q       Now you do remember that they were handcuffed?

FRANCISCO CANEDO ZAVALETA - CROSS - MR. DE CASTRO 094

1 A I said they were not wearing uniforms, not that they were  
2 handcuffed.

3 MR. DE CASTRO: May I approach, Judge?

4 THE COURT: Yes.

5 Q I'm showing you a document marked FCZ-1. And I 'm going  
6 to ask you to read just what the interpreter will translate  
7 for you, the last sentence. And then I will ask you if that  
8 refreshes your recollection that you told the government that  
9 the people on the ground were handcuffed.

10 Does that refresh your recollection that you told  
11 the government that the people on the ground were handcuffed.

12 A I cannot answer with a yes or a no.

13 Q It either refreshes your recollection or it doesn't.

14 Does it refresh your recollection that you told the  
15 government that the people on the ground were handcuffed.

16 MS. KOMATIREDDY: Objection, Your Honor. He  
17 answered the question.

18 THE COURT: Sustained.

19 Actually, I am retracting that ruling. I think  
20 Mr. de Castro is entitled to an answer as to whether or not it  
21 refreshes his recollection.

22 A Yes. And I'd like to clarify that that issue came from  
23 the fact that I interviewed the bodyguards.

24 Q Now, you say that on the side of the road next to  
25 Mr. Garcia Luna you saw someone whose nickname is La Barbie,

FRANCISCO CANEDO ZAVALETA - CROSS - MR. DE CASTRO 095

1 right?

2 A Yes.

3 Q And you knew that was him because you keep current on  
4 drug cartel operations, right?

5 A Yes.

6 Q Despite not being a member of an investigation team and  
7 being a part of building security, you kept current on the  
8 cartel?

9 A Yes.

10 Q And he was holding a very large and long gun, right?

11 A Yes, a long weapon, not very large.

12 Q Pretty powerful gun, correct?

13 A Yes.

14 Q Now, you also say that Arturo Beltran-Leyva was there as  
15 well, correct?

16 A Yes.

17 Q Standing right there, right?

18 A Yes.

19 Q And you recognized him because you also because --  
20 withdrawn. Sorry.

21 You recognized him again because you were keeping  
22 current on cartel operations.

23 A Yes.

24 Q And you knew that he was one of the most ruthless cartel  
25 bosses, right?

FRANCISCO CANEDO ZAVALETA - CROSS - MR. DE CASTRO 096

1 A One of many, yes.

2 Q So you saw a man standing with a very powerful gun and a  
3 ruthless cartel boss on the side of the road next to  
4 Mr. Garcia Luna, right?

5 A If you want to categorize them like that, yes.

6 Q I'm just asking you for your impression, not my  
7 impression.

8 Which part of that is incorrect?

9 A Well, that's how you're categorizing them. I mean, I  
10 only saw a drug trafficker, sicario, hitman, and  
11 Mr. Garcia Luna.

12 Q And of course it looked like Mr. Garcia Luna's team had  
13 been detained, right?

14 A Yes, it seemed so or it was like that.

15 Q And it certainly looked like to you that he was going to  
16 be taken, right?

17 A Well, yeah, no, but you know what, on the intersection of  
18 the exhibit that you still have on the screen, it didn't  
19 really look like he was going to be taken.

20 Q So you, a police officer, driving by and seeing an armed  
21 man and another man known for killing many, didn't think your  
22 boss was in danger?

23 A Well, when I saw the first event, I thought so. But  
24 then, when I saw the following one, which occurred on the  
25 exhibit that's still on the screen, I saw him driving along,

FRANCISCO CANEDO ZAVALETA - CROSS - MR. DE CASTRO 097

1 there was no car behind him or following him, and then there's  
2 a drug trafficker, the idea changed.

3 Q Your idea changed because you say you saw Mr. Garcia Luna  
4 and those same two drug traffickers in two different cars?

5 A Well, it's -- from what I saw on the exhibit still on the  
6 screen because there was no supposed intimidation and there  
7 was nothing with the security detail with Mr. Garcia Luna.

8 Q So you keep going ahead in my story.

9 Can we go back to where you saw Mr. Garcia Luna  
10 standing on the side of the road.

11 A We go back to the first spot, okay.

12 Q And at that point you see your boss standing next to a  
13 cartel boss and a sicario, right?

14 A Yes.

15 Q And you see his security detail on the ground, right?

16 A I saw the shapes.

17 Q And you were scared, right?

18 A When I saw that the car started following me, or that's  
19 what I thought, yes, I freaked out.

20 Q Okay, there you go again to above -- in front again.

21 Can we go back to when you see them on the side of  
22 the road. Okay?

23 A Yes.

24 Q You're scared at that moment because you see La Barbie  
25 standing there with a gun, right?

FRANCISCO CANEDO ZAVALETA - CROSS - MR. DE CASTRO 098

1 A Yes.

2 Q And you didn't want to be seen, right?

3 A It was impossible for them not to see me.

4 Q You did not want to be seen, correct?

5 A I didn't even think that.

6 Q And you drove up the road and you did something to stand  
7 out, didn't you?

8 A Yes.

9 Q Literally, you got out of your car and stood up next to  
10 the road, you say?

11 A Right in front of my vehicle, I opened the hood to my  
12 vehicle to see the engine.

13 Q And that's when you say a car -- and that's when you say  
14 that the cars came up from behind and stopped right next to  
15 you, right?

16 A No.

17 Q Did the cars pull up next to you when you were standing  
18 outside of your vehicle?

19 A No.

20 Q When did that happen?

21 A Are you talking about the second spot?

22 Q You're standing up next to your car.

23 Is there a third point?

24 A No, no. There are two spots. The first one, you were  
25 guiding me based on your story.

FRANCISCO CANEDO ZAVALETA - CROSS - MR. DE CASTRO 099

1 Q It's all just a story, right? So now it's my story or  
2 your story? Is that what we're doing here?

3 MS. KOMATIREDDY: Objection.

4 THE COURT: Sustained.

5 Q Now, would you agree with me that a police officer is  
6 really never off duty?

7 A Yes.

8 Q If you see something, you are there to do something,  
9 right, even if you're off duty?

10 A Not always.

11 Q You are there, if you can protect life even if you're off  
12 duty, you're supposed to step in, right, do something?

13 A It is my duty, yes.

14 Q There is no more important duty than to step in to  
15 protect human life, right?

16 A Yes.

17 Q And you had just seen the head of your whole organization  
18 and his bodyguards possibly being kidnapped or detained,  
19 right?

20 A The perspective changed as we got to the second point. I  
21 had already explained that to you. Because by that point it  
22 no longer looked like it was a kidnapping.

23 Q You've learned in law enforcement, right, that  
24 appearances can be quite deceiving, can't they?

25 MS. KOMATIREDDY: Objection.

FRANCISCO CANEDO ZAVALETA - CROSS - MR. DE CASTRO 100

1 THE COURT: Overruled.

2 A Not in this case.

3 Q The guards on the ground, the shapes, could've been  
4 killed, right?

5 A Yes.

6 Q They could've been taken and tortured, right?

7 A Yes.

8 Q Because you knew the cartel did that sort of thing,  
9 right?

10 A Yes.

11 Q Especially someone like Arturo Beltran-Leyva, right?

12 A Well, I think any drug trafficker would, not just him.

13 Q And you didn't immediately report that the secretary of  
14 public security had possibly been kidnapped, right?

15 A No. But his security detail did.

16 Q I'm going to ask you to answer what you did and stop  
17 explaining every answer.

18 You didn't call for emergency responders, did you.

19 A No.

20 Q You didn't call for backup, right?

21 A No.

22 Q You didn't drive to the nearest police station to get  
23 help, right?

24 A No.

25 Q You didn't try to get him or his guards any help, right?

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1

2 A No.

3 THE COURT: Mr. de Castro, moving on.

4 Q The first thing you did is drive home to Mexico City,  
5 right?

6 A Yes.

7 Q And you went and you spoke to your friend,  
8 Oscar Granados Salero, right?

9 A Yes.

10 Q Someone who shared your view that the merger of the  
11 federal police was illegal, right?

12 A Yes.

13 Q Someone who shared your views that Mr. Garcia Luna and  
14 others were responsible for your dismissal, right, in 2000?

15 A No.

16 Q And so your next stop after your friend, Oscar, was  
17 congress, right?

18 A Yes.

19 Q You involved a politician, right?

20 A Yes.

21 Q And not just congress in general, you went to a  
22 particular congresswoman, right?

23 A No.

24 Q You were directed to Layda Elena Sansores, correct?

25 A Layda Sansores.

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1 Q Oh, I'm sorry.

2 It's Layda.

3 A Layda Sansores.

4 Q And Ms. Sansores is associated with the National  
5 Regeneration Movement, right?

6 A The truth is, I don't know what party she belonged to,  
7 but she -- we did go to several different people from several  
8 different parties and no one would pay any attention to us,  
9 no one would listen to us until we went to a congresswoman or  
10 senator, I don't remember, her name was Laura. And she told  
11 us to go to Layda Sansores, that she herself could not help  
12 us. And Layda Sansores was the only woman who bravely  
13 understood the situation and did her job.

14 Q Sir, can I interrupt you?

15 My question was, if Ms. Sansores is associated with  
16 the National Regeneration Movement, that was my question.

17 THE COURT: He answered "I don't know." The rest of  
18 the answer is stricken.

19 Go ahead.

20 Q Are you aware that she's the founding member with the  
21 current president of Mexico, Andres Manuel Lopez Obrador, of  
22 that movement?

23 A No.

24 Q Are you aware that the current president ran against  
25 President Fox and lost?

Zavaleta - Cross - de Castro

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1 A I'm not a politician. I'm not a politician. I was  
2 always a police officer. I was never interested in politics.

3 THE COURT: He is just asking you what you are aware  
4 of. He said: Are you aware that the current president ran  
5 against President Fox and lost?

6 You can say: Yes, I am aware, or no, I am not  
7 aware.

8 That is all.

9 A I cannot answer that because that historical event was  
10 not of interest to me. I'm sorry about that. I was never  
11 interested in politics.

12 Q Did you vote in the election?

13 A I don't remember.

14 Q Were you aware at the time that President Calderon had  
15 been elected in 2006?

16 A Yes.

17 Q Were you aware that Ms. Sansores was very anti President  
18 Calderon's policies?

19 A No.

20 Q Now, I guess I left out one thing.

21 Before you went to congress, you also went into the  
22 federal police database and pulled information from there,  
23 didn't you.

24 A No.

25 Q You didn't pull the details of the weapons being held by

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1 all of Mr. Garcia Luna's security detail?

2 A I investigated.

3 Q You didn't call anybody for help, but you investigated  
4 the bodyguards' weapons, right?

5 A Yes.

6 Q And you shared that with congress?

7 A Yes.

8 Q And Ms. Sansores wanted to release your story to the  
9 press, right?

10 A And that point was omitted.

11 Q And she sought your permission to do so, right?

12 A Yes.

13 Q And to contact Proceso, right?

14 A Just Proceso.

15 Q And that was great for you because you and Oscar had  
16 decided that you were going to try and use this story to  
17 further your campaign against police reforms, correct?

18 A I don't understand your question.

19 Q You were happy because you and Oscar had decided that you  
20 were going to try and use the story to further your campaign  
21 against the illegal police reforms, correct?

22 A No.

23 Q Back to that meeting with the government in March of  
24 2021, remember that?

25 A Yes.

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1 Q Do you remember telling the government that you and  
2 Mr. Granados Salero felt this could support your cause against  
3 Garcia Luna's intentions to merge the two agencies?

4 A Under a single command, yes.

5 Q Sure enough, Proceso published an article and featured  
6 your claims, right?

7 Yes or no, sir.

8 A No.

9 Q There was an article published in Proceso, right?

10 A I heard about it and I authorized it.

11 Q And it was reported in the media all across the country,  
12 right?

13 A I don't know if it was in all the media; I just know it  
14 was in the Proceso magazine.

15 Q Now, not only did you make this oral complaint to  
16 Ms. Sansores, you also submitted a letter to congress that you  
17 described on direct examination, correct?

18 A There were two. There was one letter to congress and one  
19 for the security commission. That's why it was referred to  
20 the secretary -- the national secretariat for defense, to  
21 refer to them the serial numbers for the weapons and the  
22 witnesses who were there.

23 THE COURT: Okay, look, I have got to instruct the  
24 witness.

25 You have to answer the questions yes or no if you

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1 can reasonably answer yes or no. You cannot elaborate at the  
2 length you are going or we will be here for weeks. All he  
3 asked you was: In addition to the oral complaint to  
4 Ms. Sansores, you also submitted a letter to congress that you  
5 previously testified about on direct examination; yes or no?

6 He is not asking you about the letter to the  
7 security commission. You are not saying you did not submit a  
8 letter to the security commission. He is just asking you  
9 about, did you submit that one letter.

10 THE WITNESS: Yes.

11 THE COURT: Look, let me explain it this way. You  
12 do not have to tell everything. You should not tell  
13 everything in answer to any question.

14 If the government feels there is important  
15 information that Mr. de Castro has left out, then they will  
16 ask you more questions when he is done.

17 THE WITNESS: I understand.

18 THE COURT: All right. Please continue,  
19 Mr. de Castro.

20 MR. DE CASTRO: Thank you, Judge.

21 Let me show you what I have marked as Defense  
22 Exhibit F for identification. Just the witness.

23 Q Did that come up on your screen?

24 A Yes.

25 Q Is this the letter that you wrote?

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1 A It's in English.

2 MR. DE CASTRO: My apologies. I meant Defense  
3 Exhibit G for identification. Sorry about that.

4 Q Now, is that the letter?

5 We will scroll through it for you. Okay?

6 A Yes.

7 Q And while it has a different person's name on it, this is  
8 the letter that relates to you, correct?

9 A Yes.

10 MR. DE CASTRO: The defense would offer Defense  
11 Exhibit G.

12 MS. KOMATIREDDY: No objection, Your Honor.

13 THE COURT: Received.

14 (Defense Exhibit G, was received in evidence.)

15 MR. DE CASTRO: And Your Honor , we have a  
16 translation of it that we would like to admit as Government --  
17 as Defense Exhibit G with parenthetical (T) if that's  
18 acceptable to the government.

19 MS. KOMATIREDDY: No objection, Your Honor.

20 THE COURT: Received.

21 (Defense Exhibit G-T, was received in evidence.)

22 Q Okay. So I'm going to put up a translated version of it,  
23 and I'm going to go through some of your letter. Okay?

24 THE INTERPRETER: Counselor, may the interpreter  
25 request the original document for translation purposes?

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1 MR. DE CASTRO: I was just going to say.

2 THE INTERPRETER: Thank you. I appreciate it.

3 MR. DE CASTRO: Let me just get it.

4 THE INTERPRETER: Thank you.

5 MR. DE CASTRO: I've handed the interpreter

6 Government -- it's marked Government Exhibit 738-A.

7 THE INTERPRETER: Correct.

8 MR. DE CASTRO: For her assistance.

9 Q So this letter is -- first, it has

10 Oscar Granados Salero's name on it, right?

11 A Yes.

12 Q And it's to The Honorable Congress of the Union in Its

13 Two Chambers of Senators and Deputies, right?

14 A Yes.

15 Q And then at the beginning, even though it's only from one

16 person, it says: The undersigned persons, right?

17 A Yes.

18 Q Now, you had mentioned on direct examination that you did

19 not include in this letter that you had witnessed anything on

20 the road in Morelos, right?

21 A Yes.

22 Q But you did include facts about that alleged incident,

23 right?

24 A Yes.

25 Q Now, on page 7, in fact, you called it the "alleged real

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1 fact," right?

2 A Yes.

3 MR. DE CASTRO: And if you could zoom a little bit.

4 Q And then so you see there, it talks about Saturday,  
5 October 19th, 2008, right?

6 A Excuse me?

7 Q You see there, it talks about last Saturday,  
8 October 19, 2008, right?

9 THE INTERPRETER: Your Honor, just for the  
10 interpreter clarification, may the interpreter show him the  
11 original document?

12 THE COURT: Yes.

13 A Yes.

14 Q Now, and you went to Ms. Sansores a month after this  
15 happened, right?

16 A A little less than a month.

17 Q And here it says last Saturday, on October 19th, right?

18 A Yes.

19 Q And then it says Garcia Luna and his 27 subjects, right?

20 A Yes.

21 Q And here it talks about an unspecified number of gunmen  
22 or hitmen in approximately ten fully armored suburban  
23 vehicles, right?

24 A Yes.

25 Q And that they were subdued and blindfolded, right?

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1 THE INTERPRETER: A moment for the interpreter.

2 I'm sorry, Counselor. Is that part of the -- oh, I  
3 found it. Thank you.

4 A Yes.

5 Q And, again, nowhere in here did you mention actually  
6 seeing it, right?

7 A Yes.

8 Q Now, going back to page 1 of the document, what I'm going  
9 to do here, just so you know, is, I'm going to go through  
10 parts of your letter, and my question at the end is just going  
11 to be really is that what's written here. Okay?

12 A Yes.

13 Q So in paragraph that is marked as SECOND, it says: We  
14 request and beseech of you in the humblest manner your valued  
15 intervention, so as not to be dismissed from our only source  
16 of work, in an illegal, arbitrary and unjustified manner, by  
17 at least supervising the exams and courses that our  
18 hierarchical superiors have posted notice of, with the aim of  
19 the illegal, arbitrary and unjustified dismissal that they  
20 intend, so that our families and the undersigned are not  
21 doomed to misery with the consequent loss of the little  
22 culture and social patrimony that we have left and possess.

23 That's what it said, right.

24 A That's what it says.

25 Q And in paragraph THIRD, sub (A), you write about: The

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1 undersigned are hurt by the perspective that society has of  
2 the public servant, having manifested textually with banners  
3 in the marcha blanca, referred to as Illuminemos Mexico that  
4 read the following, among other things, "let us be governed,  
5 judged and taken care of by the whores, because their children  
6 have failed us." Although stated with good reason, due to the  
7 bad example and behavior of some, all of us suffer. We are  
8 not all the same nor act as they do, for we the undersigned,  
9 considered ourselves to be and can assure you that we are the  
10 exception, based on the following.

11                 And below that it says: We, the undersigned, as  
12 well as the entire society, were deceived by our bad rulers,  
13 right?

14 A         Yes, it says that.

15 Q         And then on page 2, the last paragraph, it also talks  
16 about the illegal, unjustified and arbitrary dismissal that  
17 engulfed the families of the undersigned for many years in  
18 which they were doomed to misery and the loss of their  
19 material patrimony having to incur in expenses, pay defense  
20 lawyers and incur debts for our support and defense, social  
21 standing and cultural standing, having lost years of our  
22 studies and our children for lack of the salary on which we  
23 depended. And it says that there as well, right?

24 A         Yes, it says so.

25                 (Continued on the next page.)

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1           THE COURT: Mr. De Castro, are you going to finish  
2 this letter in the next five minutes or so?

3           MR. DE CASTRO: Probably, it's just the reading; I'm  
4 not going through the whole thing, of course.

5           THE COURT: The question is when we take our break.

6           MR. DE CASTRO: Five to ten. Up to you, we can take  
7 a break.

8           THE COURT: Let's take our morning break, ladies and  
9 gentlemen. Come back 11:15. Remember, do not talk about the  
10 case.

11           (Jury exits the courtroom.)

12           THE COURT: Let's temporarily excused witness.

13           (Whereupon, the witness steps down.)

14           THE COURT: Everyone else have a seat.

15           I'm still struggling with the journalistic bribery  
16 issue. I think the reason I am is because the Government has  
17 not been very specific on its proffer of what the witness  
18 would say. If the witness is going to give a general  
19 understanding that money was being paid to stop coverage of  
20 the defendant's connections, alleged connections, with  
21 cartels, that's not good enough for me to overcome the  
22 prejudicial impact. On the other hand, if a witness is going  
23 to testify, for example, let's change the evidence that we've  
24 heard, but on this alleged meeting with the two drug cartel  
25 members, if a witness was going to testify: I was in a room

## PROCEEDINGS

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1 with a journalist and so and so co-conspirator of the  
2 defendant offered the journalist money not to run that story,  
3 that's something I would probably allow in.

4           But I'm not going to allow a general impression or a  
5 nonspecific conversation that money was being paid.

6           So you don't have to address it. You can think  
7 about it and see if you want to try it.

8           MS. KOMATIREDDY: I expect the witness will testify  
9 that the payment was to bribe journalists to not cover this  
10 incident, specifically to address a case where the journalists  
11 were saying he was kidnapped by a cartel.

12           THE COURT: Okay. But it's a general understanding.  
13 Who said what to whom? That's what I don't think your witness  
14 can give me. If the witness can't give me that, I'm not going  
15 to have him say, oh, yes, there was an understanding that  
16 money was to be paid.

17           MS. KOMATIREDDY: Just for clarity, your Honor,  
18 you're asking us to identify the declarant and the  
19 conversation, which we will.

20           The Court's question is, can the witness testify  
21 that either Mr. Garcia Luna or a co-conspirator specifically  
22 requested a payment with respect to allegations related to the  
23 kidnapping or other narco allegations?

24           THE COURT: Other specific things that they wanted  
25 suppressed.

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1 MS. KOMATIREDDY: We will work on that, your Honor.

2 I also wanted to raise something for thought, with  
3 Mr. De Castro's cross it appears that they are planning to  
4 make the argument that the Proceso article fed all the  
5 cooperators, that this person made it up, and if he has a bias  
6 and that feeds everyone else's story.

7 I don't think we need to put the article itself in  
8 front of the jury, I'm not seeking to do that. I think we  
9 need to have a way to refer to its contents in closings and  
10 rebuttal to explain what the differences are in the contents  
11 of that article and in the cooperators' testimony to rebut  
12 this notion of coordinations.

13 I want to think about a way do that so it is not  
14 unduly prejudicial but enables an honest conversation.

15 THE COURT: When you think of a way to do that,  
16 think of a way to explain it better.

17 MS. GOTLIB: May I?

18 THE COURT: Briefly.

19 MS. GOTLIB: Just in respect to the witness as to  
20 whether or not he's anticipated to testify that these alleged  
21 bribes were to prevent the publishing of this specific story  
22 that we're discussing now. My understanding from the  
23 materials is that this individual will testify that there were  
24 numerous articles that were written about this, of which he  
25 read. And that it was after the fact that these articles came

ZAVALET A - CROSS - MR. DE CASTRO

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1 out that these alleged bribes were paid in an effort to  
2 control the press, broadly speaking, to prevent negative, but  
3 not necessarily about this specific story.

4 THE COURT: It doesn't have to be about the specific  
5 story. But someone has got to give me something specific that  
6 suppression occurred in order to distract attention from an  
7 alleged relationship between the defendant and the cartels. I  
8 do not want a witness testifying: Oh, yes, this was done. We  
9 all knew it was done. I knew it was done.

10 If it was done, if there was an agreement, there was  
11 a meeting of the minds, someone has to give me the minds who  
12 met. Okay.

13 MS. KOMATIREDDY: I'm confident we can do that.  
14 We'll work on it during the break.

15 THE COURT: See you in a few minutes.

16 (Brief recess.)

17 THE COURT: Let's have the jury in, please.

18 (Jury enters the courtroom.)

19 THE COURT: Everyone be seated. Please continue,  
20 Mr. De Castro.

21 MR. DE CASTRO: Thank you, Judge.

22 BY MR. DE CASTRO:

23 Q Before the break we were going through a part of page two  
24 of your letter, I think it's up and highlighted. Then further  
25 down in that paragraph it says: For under the deception of

ZAVALETAS - CROSS - MR. DE CASTRO

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1 our governing class as is customary every six years concerning  
2 the purging of the police institutions of bad agents, we the  
3 undersigned, found ourselves dismissed as if we were just  
4 another number.

5 Did you write that?

6 THE INTERPRETER: This is on the second page?

7 MR. DE CASTRO: May I approach, Judge, to help the  
8 interpreter?

9 THE COURT: Yes.

10 THE INTERPRETER: I got it.

11 A Yes.

12 Q Then on the next page, page three, paragraph G, here you  
13 wrote: Instead of letting police officers such as the  
14 undersigned work, we have been confined to general armed guard  
15 duties, actually disarmed, with the sole purpose of ensuring  
16 that those who work in the installations of the office of the  
17 Attorney General, PGR, and the current federal police do not  
18 enter them with food or inappropriate clothing. And that  
19 vehicles of colleagues or people outside the agency do not  
20 circulate or park improperly on the agency's grounds. All  
21 this is absurd. Taking into account the preparation we have  
22 in the area of investigations to combat crime, which in turn  
23 has led to an increase in crime, by separating us from those  
24 issues and assigning us to deal with matters other than crime.

25 Did you write that, sir?

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1 A Yes.

2 Q And on page six, at the top, five lines down. You also  
3 talk about your belief that the current secretary of federal  
4 public security, which at the time was Mr. Garcia Luna, was  
5 colluding with the professionalization council. Right?

6 A Yes.

7 Q In paragraph C, below that, you wrote, did you not: That  
8 according to the extraordinary background experience we have  
9 and because of our seniority within the institution, it is  
10 unfair that we have not been given the opportunity years ago  
11 for promotion within our position or rank, thus infringing to  
12 our detriment the right of equality and the principles of  
13 progressiveness and non-regression.

14 A Yes.

15 Q You testified on direct and here on cross that you didn't  
16 hold Mr. Garcia Luna responsible for any -- for your firing,  
17 correct?

18 A Yes.

19 Q But you wrote about that as well on page two, under  
20 paragraph E. Did you write: We have a well-founded fear of  
21 an illegal, unjustified, and arbitrary dismissal by high  
22 commanders who currently preside over the institution that  
23 employs us, and the federal public security secretariate of  
24 the federal police. These are indistinctly the same officials  
25 who work in both corporations; specifically, Genaro Garcia

FRANCISCO CANEDO ZAVAleta - REDIRECT - MS. KOMATIREDDY

1 Luna, Edgar Eusebio Millan Gomez, deceased,, then it lists a  
2 number of other names.

3 A Yes.

4 Q Then you write: In reality, should it not be called by  
5 it's acronym Garcia and Partners Family Police, who have  
6 always been the same, who rotate for certain or undetermined  
7 periods in the most important and relevant positions without  
8 allowing anyone else. Could this be a monopoly of power and  
9 total control of the federal police for a common interest and  
10 so on.

11 You wrote that as well, right?

12 A Yes, I wrote that.

13 Q You say you have no ill will towards Mr. Garcia Luna?

14 A No.

15 MR. DE CASTRO: No further questions.

16 THE COURT: Redirect.

17 REDIRECT EXAMINATION

18 BY MS. KOMATIREDDY:

19 Q Senor Zavaleta, on cross-examination you were asked about  
20 a document that had Mr. Garcia Luna's name at the bottom. Do  
21 you remember those questions?

22 A Oh, yes.

23 Q If I could please have Government Exhibit 711 and 711T on  
24 the screen, which are in evidence.

25 If we can go to the bottom and zoom in. This is the

FRANCISCO CANEDO ZAVALET A - REDIRECT - MS. KOMATIREDDY

1 bottom with Mr. Garcia Luna's name on the bottom, correct?

2 A Yes.

3 Q For the record, if we can go to the top please

4 Ms. Donovan.

5 This is the document that reinstates you in the  
6 federal police, not the one that fires you, right?

7 A Yes.

8 Q When you were -- going back to when you were let go in  
9 the 2000/2001 time frame, you were not the only person let go  
10 during that time frame, correct?

11 A Yes.

12 Q There were approximately 700 people let go at that time?

13 A There were very many. I don't remember the exact amount,  
14 but I wasn't the only one there were a lot of them.

15 Q Going to the letter that Mr. De Castro went through with  
16 you, Government Exhibit -- if I may, your Honor, to move in  
17 Government Exhibit 738A and 738AT, which are the versions that  
18 the interpreter is working off of?

19 THE COURT: You'll take her word for it.

20 MR. DE CASTRO: I will. I think it's the exact  
21 same.

22 THE COURT: Received.

23 (Government Exhibit 738A & 738A-T, were received in  
24 evidence.)

25 MS. KOMATIREDDY: Thank you, Judge.

FRANCISCO CANEDO ZAVALET A - REDIRECT - MS. KOMATIREDDY

1 BY MS. KOMATIREDDY:

2 Q If we could go to the first page, please, side by side.

3 Mr. De Castro asked you in the first sentence it  
4 says, the undersigned persons. Mr. De Castro asked you: This  
5 says the undersigned persons even though it is from one  
6 person.

7 Do you remember that question?

8 A Yes.

9 Q If we go to the top right, on the very top it says Oscar  
10 Granados Salero and others, correct?

11 A That's correct.

12 Q And this is in the name of Oscar Granados Salero, but  
13 there are details that pertain to you, correct?

14 A Yes.

15 Q That includes the address and the telephone number,  
16 correct?

17 A Yes.

18 Q Ms. Donovan, can we put up 711T next to 738AT? If you  
19 can zoom in on the top of right of 738AT.

20 The address that appears is: Emiliano Zapata Numero  
21 39A, San Pedro Martir Tlalpan, Distrito Federal. Correct?

22 A Yes.

23 Q 14650. Correct?

24 A Yes.

25 Q Going back to your reinstatement form on 711, that's the

FRANCISCO CANEDO ZAVALET A - REDIRECT - MS. KOMATIREDDY

1 same address that you lived at virtually all your life,  
2 correct?

3 A Yes.

4 Q Emiliano Zapata Numero 39A, San Pedro Martir Tlalpan,  
5 Distrito Federal, 14650. It's all on 711T, correct?

6 A Yes.

7 Q On 738AT on the bottom right, there is a phone number  
8 5846-7562. Is that your phone number?

9 A It was my home phone number.

10 Q On your reinstatement form in 711T, you see the same  
11 telephone plus the area code for cellphones in Mexico, so 55  
12 area code, then 5846-7562. Correct?

13 A It is the same number.

14 Q Going into the body of the letter, 738AT, go to page  
15 seven.

16 Defense counsel asked you about the phrase: Last  
17 Saturday on October 19, 2008.

18 Do you remember that question?

19 A Yes.

20 Q The day that you saw Mr. Garcia Luna on the side of the  
21 road with Arturo Beltran and La Barbie, was it a Saturday?

22 A No.

23 Q What was it?

24 A Sunday.

25 Q Why did your report say Saturday?

FRANCISCO CANEDO ZAVALET A - REDIRECT - MS. KOMATIREDDY2

1 A Because it was an involuntary mistake.

2 Q In the report it says, going into the next sentence:

3 That Genaro Garcia Luna and his escorts, consisting of  
4 approximately 27 subjects and based on comments of several of  
5 them in the corridors in the various facilities, the following  
6 events occurred.

7 Do you see that sentence?

8 A Yes.

9 Q To be clear, did you personally witness the defendant  
10 Genaro Garcia Luna and Arturo Beltran and Barbie on the side  
11 of the road on Sunday October 19, 2008?

12 A Yes.

13 Q Did you take any additional steps after you witnessed  
14 that event?

15 A Yes.

16 Q Can you explain why there is additional information in  
17 this letter that is beyond what you personally witnessed?

18 A Because I conducted an alternate investigation to confirm  
19 what I believed, which would be an appointment that had been  
20 agreed to rather than an abduction.

21 Q Who did you interview as part of this investigation?

22 A Mr. Garcia Luna's bodyguards.

23 Q Why in this letter did you not mention that you also  
24 personally witnessed the event?

25 A Out of fear of retaliation.

FRANCISCO CANEDO ZAVAleta - REDIRECT - MS. KOMATIREDDY23

1 Q In this portion of the letter, the heading says: Alleged  
2 real fact.

3 Why did you describe it as an alleged real fact?

4 A I'd like to repeat -- fear of retaliation, fear of what  
5 that situation could lead to.

6 Q To be clear, you testified on the stand on Thursday and  
7 today about what you saw, correct?

8 A Yes.

9 Q Did you make any of that up in order to avoid a merger of  
10 the federal police and AFI?

11 A I didn't make anything up, everything was real.

12 Q Did you lie to Congress in 2008?

13 A No.

14 Q Are you lying today?

15 A No.

16 Q I'm going to turn your attention to the last page of  
17 738A. If we can have 738AT for the jury, please, last  
18 paragraph.

19 Senor Zavaleta, can you read that into the record?

20 A Yes.

21 Q Let's pause for translation.

22 A Currently we have interviewed several of our colleagues  
23 who have been assigned to various places, states of the  
24 republic, who do not have the same experience in the fight  
25 against organized crime and drug trafficking as the

FRANCISCO CANEDO ZAVALETAS - REDIRECT - MS. KOMATIREDDY

undersigned. They tell us that they are afraid because they have been threatened indirectly by various leaders of drug cartels on the understanding that they must not intervene or interfere in their interests.

Q You may continue.

Let's pause for translation.

A Even to the point where to implement road blocks or carry out operations, they have to request permission from the very leaders of these criminal organizations through our superiors who were appointed by the current head of the federal public security secretariate. In addition, those who have the skill, attitude, preparation and experience have stated that they are afraid to act, since on the one hand they do not have the support of their superiors. And on the other hand, the same superiors have instructed them not to go beyond the fulfillment of judicial orders or warrants; i.e., presentation apprehension or rearrest orders. This can be verified with the records of such orders in various states. Since these same superiors are also threatened with the death if they act against themselves and their subordinates, threats which have materialized as can be verified through the media.

Furthermore, they are legally afraid of acting; and, therefore, falling into a fault, not criminal but simply administrative, which would lead to their dismissal, removal or termination. And, therefore, the loss of their only source

FRANCISCO CANEDO ZAVALETAS - REDIRECT - MS. KOMATIREDDY25

1 of work and support for their families.

2 Q You may continue.

3 A The foregoing because current Article 112, paragraph B,  
4 section 13 of the constitution, threatens any police subject,  
5 even if they are incorruptible good police agents, with the  
6 loss of his or her job, even being dismissed without  
7 justification and under pretences, as it happened specifically  
8 and truly with the several of the undersigned in the past.

9 But now definitively, leaving them in a total state  
10 of defenselessness by the stipulations of that article, which  
11 has submerged us in a bubble of suspension of rights.

12 Currently of police rights after citizen's rights, as it was  
13 intended with the reform on searches without a warrant. Given  
14 all of the above, many of these colleagues told us that it is  
15 better to follow that proverb that says: If you want to  
16 become an old agent, look the other way.

17 For the above written reasons, we request and  
18 present our apologies. But it is the reality for some, not  
19 for us. Because we not cannot ignore all this and it is  
20 necessary to act, even if this means risking our own lives.

21 THE INTERPRETER: May the interpreter have the last  
22 part of the letter, please, on the screen.

23 A In witness whereof, to all of you, we hereby request as  
24 follows. Sole paragraph support the undersigned and families  
25 in each one of the reasons, goals, and objectives raised to

FRANCISCO CANEDO ZAVALET A - REDIRECT - MS. KOMATIREDDY

1 the extent to which you can help. Cordially and respectfully,  
2 because justice, law and reason are always above force,  
3 arbitrariness, and impunity.

4 That is all.

5 MS. KOMATIREDDY: No further questions, your Honor.

6 MR. DE CASTRO: No questions.

7 THE COURT: The witness may step down.

8 (Whereupon, the witness was excused.)

9 THE COURT: Government's next witness.

10 MS. REID: Sidebar, your Honor?

11 (Continued on the next page.)

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SIDE BAR CONFERENCE

1127

1 (Sidebar conference.)

2 MS. REID: Your Honor, our next witness is the  
3 witness that we were talking about this morning with the  
4 payments to the newspaper. We can start with him. I don't  
5 think we'll get anywhere close to that topic before lunch, or  
6 we could break early. It's up to the Court.

7 THE COURT: Let's start with him.

8 MS. REID: That's fine.

9 MS. KOMATIREDDY: One thing, we have to advise him.  
10 If it's possible for us to discuss it with the Court and have  
11 a ruling so we could advise him on what he's allowed to  
12 testify about, we'll need at some point to take a break in the  
13 afternoon to do that.

14 THE COURT: We're not going to finish him on this  
15 topic before lunch, can you talk to him during lunch?

16 MS. REID: Yes. Thank you.

17 (End of sidebar conference.)

18 (Continued on the next page.)

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SIDE BAR CONFERENCE

1128

1 (In open court.)

2 MS. REID: The Government calls Hector Villarreal  
3 Hernandez.

4 (Continued on next page.)

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HECTOR VILLARREAL - DIRECT - MS REID

1129

1 (Witness takes the witness stand.)

2 **HECTOR VILLARREAL**, called as a witness, having been first duly  
3 sworn/affirmed, was examined and testified first duly  
4 sworn/affirmed:

5 THE COURTROOM DEPUTY: State and spell your name for  
6 the court reporter.

7 THE WITNESS: Hector Villarreal, H-E-C-T-O-R,  
8 V-I-L-L-A-R-R-E-A-L-L.

9 DIRECT EXAMINATION

10 BY MS. REID:

11 Q Good afternoon.

12 A Good afternoon.

13 Q How old are you?

14 A Fifty-two years old.

15 Q In what country did you spend most of your life?

16 A In Mexico.

17 Q Did you ever hold public office in Mexico?

18 A Yes.

19 Q What positions did you hold?

20 A In 2005 I was undersecretary of planning and budget in  
21 the state of Coahuila. After that, in 2008, I was secretary  
22 of finance.

23 Q Is Coahuila a state in Mexico?

24 A Yes. It is one of the 32 states in the country.

25 Q Generally, where is it in Mexico?

HECTOR VILLARREAL - DIRECT - MS REID 1130

1 A It is in the northern part of the country. It shares a  
2 border with the state of Texas.

3 Q Have you pleaded guilty to any crimes in the United  
4 States?

5 A Yes.

6 Q What were those crimes?

7 A Conspiracy for money laundering.

8 Q Did you engage in a conspiracy to launder money while you  
9 were in public office in Mexico?

10 A Yes.

11 Q I'd like to show what you is in evidence as Government's  
12 Exhibit 1. Do you recognize this person?

13 A Yes.

14 Q Who is that?

15 A Licenciado Genaro Garcia Luna.

16 Q Who is that?

17 A When I met him he was secretary of public security.

18 Q Did you meet Genaro Garcia Luna in the course of your  
19 work with the Coahuila state Government?

20 A Yes.

21 Q I want to talk about your background now. Generally,  
22 where did you grow up?

23 A In Matamoros Tamaulipas.

24 Q About how far did you go in school?

25 A I did my Bachelor's degree.

HECTOR VILLARREAL - DIRECT - MS REID

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1 Q At some point did you start working?

2 A Yes. I was at the institute for continuing education and  
3 I ran trainings in continuing education for several federal  
4 entities in Mexico.

5 Q At some point did you meet someone named Humberto Moreira  
6 Valdez?

7 A Yes, at the end of 2003, well, end of 2002 beginning  
8 2003.

9 Q At that time, what was Humberto Moreira Valdez's role?

10 A Secretary of education for the state of Coahuila.

11 Q At some point did he gain a different position?

12 A Yes. He was the mayor of the city of Saltillo.

13 Q Did Humberto Valdez ever get a higher office than mayor?

14 A Yes. He was governor of the state of Coahuila.

15 Q When did he become the governor of Coahuila?

16 A December 1st, 2005.

17 Q Did that have any impact on you, when he became governor?

18 A He named me planning and budget director in the finance  
19 secretariate.

20 Q What were your responsibilities in that role?

21 A Planning the budget and paying for public works and  
22 services for the state.

23 Q I think you testified that there are 32 states in Mexico;  
24 is that right?

25 A That's correct.

HECTOR VILLARREAL - DIRECT - MS REID 1132

1 Q In your role in state Government in Coahuila, did you  
2 become familiar with how state budgets are funded?

3 A Yes.

4 Q Can you tell us about that?

5 A The budgets for states are defined by the federal  
6 Congress because we are a federal country. And the budget is  
7 sent to the states, approximately 95 percent of resources come  
8 from the federal Government.

9 Q Do states have the ability to tax in Mexico?

10 A Some they do, like automobile taxes, hospitality, and  
11 tourism.

12 Q What about property tax?

13 A Those are municipal, they are city.

14 Q How did Coahuila get money to fund projects in the state?

15 A First of all, there is federal funds that are assigned  
16 for different public works as part of the budget. And a  
17 second option is to get bank loans for projects.

18 Q After you were the, I think you said, deputy secretary of  
19 budget and planning in Coahuila, did you move up to a  
20 different role?

21 A Secretariate of finance.

22 Q When did you get that role?

23 A Maybe 2008.

24 Q How long did you have that role?

25 A Two years.

HECTOR VILLARREAL - DIRECT - MS REID 1133

1 Q So between 2005 when you started in office in Coahuila  
2 until about 2010, did you commit any financial crimes?

3 A Yes.

4 Q What kind of crimes?

5 A We would charge commissions. We would go over the  
6 invoices for public works.

7 Q Are you saying that you overpaid on occasion for public  
8 works in Coahuila?

9 A That's correct.

10 Q When you overpaid, did you ever get the money back?

11 A That's correct.

12 Q Did you take that money as a kickback?

13 A That's correct.

14 Q Was Governor Moreira involved in the scheme to get  
15 kickbacks?

16 A That's correct.

17 Q Generally, how did you and the governor get money from  
18 these kickbacks? How did you get it?

19 A We would pay a higher commission for the public works  
20 projects that we were working on. And it was stated on the  
21 same invoice. And later on, those companies were instructed  
22 as to what they had to acquire.

23 Q Who instructed the companies on how to spend this  
24 kickback money?

25 A It was a direct instruction from the governor because the

HECTOR VILLARREAL - DIRECT - MS REID 1134

1 people in these companies were either family members or people  
2 who were very close to him, or even strawmen who had been  
3 assigned to those companies.

4 Q Generally, what did you and the governor do with the  
5 money that you got from these kickbacks?

6 A We purchased properties, land, houses in Cuernavaca,  
7 Mexico City, Saltillo. We purchased planes that were from a  
8 company that was part that had a partnership with the  
9 governor. We bought mass media, radio stations, TV stations,  
10 shows. We had apartments on the beach. And a very important  
11 part, which was political campaigns in Mexico.

12 (Continued on next page.)

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HECTOR VILLARREAL - DIRECT - MS REID

1135

1 DIRECT EXAMINATION (Continuing)

2 BY MS. REID:

3 Q I'd like to break some of those things down.

4 You said that you bought various kinds of media; is  
5 that right.

6 A That's correct.

7 Q Why did you do that?

8 A Well, in addition to the fact that it was useful so that  
9 we could portray a better image in the state of Coahuila,  
10 meaning from the executive branch, it was also something that  
11 allowed us to be able to have support and to make somebody  
12 either look better or to damage somebody's reputation.

13 Q I think you testified that on occasion you purchased  
14 media outlets.

15 Did you also just make payments for a particular  
16 kind of coverage.

17 A Yes. Yes, we made a lot of payments for coverage and not  
18 only with media outlets in Coahuila, but also at the federal  
19 level.

20 Q I think you also mentioned that you used some of the  
21 kickback money to buy airplanes.

22 Why did you do that.

23 A Well, in the beginning, it was an investment, and it was  
24 an agreement that the governor had reached with his partner.

25 Then secondly, it was a benefit that the governor

HECTOR VILLARREAL - DIRECT - MS REID 1136

1 provided to politicians who were running for governor. We --  
2 so that they could go from one place to the next in the  
3 country and provide the -- and run their own internal  
4 political campaigns. We would help them with the planes, with  
5 the marketing, with the media. We gave them the money, the  
6 public pantry for people so that they could become governors.

7 Q And why was Governor Moreira providing benefits like  
8 these to other politicians in Mexico?

9 A It was a way to have people who owed you favors, people  
10 who would later on become influential in their own  
11 governmental positions within the states. And whenever we  
12 would need it, we would request their support so that we could  
13 have a way to getting into the federal level.

14 Q Over the course of this entire period, from 2005 to 2010,  
15 approximately how much money did the entire kickback scheme  
16 generate?

17 A From 2006 to 2011, in which three finance secretaries  
18 participated on this scheme, it would've been approximately  
19 \$200 million.

20 Q How much money did you make personally from this kickback  
21 scheme, approximately? Approximately.

22 A Approximately, we were given \$2.5 million to each of the  
23 eight people who participated or worked in this scheme.

24 Q And who gave you that money?

25 A Those were direct instructions from the governor.

HECTOR VILLARREAL - DIRECT - MS REID 1137

1 Q And approximately how much money did Governor Moreira  
2 make personally from this kickback scheme?

3 A A little over 40 million.

4 MS. REID: Your Honor, I know we're just a couple  
5 minutes before lunch, but would this be a good time for a  
6 break? We're about to get to a new topic.

7 THE COURT: It's not the topic, right?

8 MS. REID: It is not the topic. I'm happy to go --

9 THE COURT: We should go on a little more. We just  
10 broke less than an hour ago.

11 MS. REID: Yes, Your Honor.

12 Q Are you familiar with something called a patrimonial  
13 statement.

14 A Yes. It's a form that is submitted by public officers --  
15 public officials, interpreter correction, that you submit at  
16 the beginning of your term and you update at the end of your  
17 term.

18 Q And other than the beginning of your term and the end of  
19 your term, are public officials required to make any other  
20 updates to their patrimonial statements?

21 A When there's an impact to your assets, you must send an  
22 additional declaration indicating that your assets have  
23 increased.

24 Q Who is required to complete these documents in Mexico?

25 A Within the state government is the secretariat of the

HECTOR VILLARREAL - DIRECT - MS REID 1138

1 state public services. And at the federal level, it's the  
2 secretariat for public services at the federal level.

3 Q Are those the groups that review the documents?

4 A They audit them and they review them.

5 Q And to be clear, are all public officials required to  
6 file patrimonial statements in Mexico?

7 A That's correct. It's an obligation.

8 Q And are federal officials in Mexico permitted to work in  
9 private industry at the same time that they work in the  
10 federal government?

11 A No. When you work for the private industry, you must get  
12 an authorization so that you show that there is no connection  
13 at all, and that you are just working with a company and the  
14 public administration.

15 Q Now, when you were in government, did you ever complete a  
16 patrimonial statement?

17 A At the beginning of my term, I provided general  
18 information.

19 Q Did Governor Moreira Valdez ever file patrimonial  
20 statements?

21 A Yes.

22 Q And who filled out the governor's patrimonial statements?

23 A I did.

24 Q And how frequently did he file those?

25 A At the beginning, each year, and at the end.

HECTOR VILLARREAL - DIRECT - MS REID 1139

1 Q And you're saying the beginning and end of his term, as  
2 well as each year?

3 A That's correct.

4 Q Were the governor's patrimonial statements that you  
5 filled out accurate?

6 A No.

7 Q In what ways were they not accurate?

8 A They were not updated with the assets that were being  
9 acquired.

10 Q Why not?

11 A Because the assets that he was obtaining were not being  
12 added on, they were not being updated. What we did is, we  
13 would take the amount that he was making annually, and then we  
14 could update any purchases within that amount and that was it.

15 Q And did the government's actual assets exceed the salary  
16 he was making as a public official?

17 A That's correct.

18 Q And did you ever have to provide any documents to verify  
19 what was listed on his patrimonial statements?

20 A That document was turned over to the secretary for public  
21 service. And that was a post that had been named by Governor  
22 Moreira, so this made it pretty much impossible for him to  
23 request any additional information from me.

24 Q And did that individual or group ever request any other  
25 information from you?

HECTOR VILLARREAL - DIRECT - MS REID 1140

1 A Never.

2 Q And are government officials' patrimonial statements  
3 available publicly in Mexico?

4 A That's correct, they're transparent and they are on  
5 websites.

6 Q What website?

7 A The states and the federation have a program called  
8 DeclaraNet.

9 Q Have you ever looked at patrimonial statements on  
10 DeclaraNet?

11 A Well, the governor's and maybe some other ones.

12 Q And were patrimonial -- are patrimonial statements posted  
13 on DeclaraNet when they're filed by the public official?

14 A My understanding is that the secretariat for public  
15 service has some time at the beginning of the term to upload  
16 all of the statements for all the public officials and then  
17 update them to the website.

18 Q And within that same period, are they uploaded?

19 A That's correct.

20 Q And are those patrimonial statements of current public  
21 officials kept on DeclaraNet for years?

22 A My understanding is that they are kept on the website  
23 during the six-year term in which the official has their post.  
24 And then afterwards, you are able to request any statements  
25 from the national institute for access to information.

HECTOR VILLARREAL - DIRECT - MS REID 1141

1 Q And does the secretary of public service make and keep  
2 those records of patrimonial statements in the regular course  
3 of its business?

4 A That's correct.

5 Q Now, did Governor Moreira spend the money that he got  
6 from the kickback scheme in a showy manner when he was in  
7 office?

8 A No.

9 Q Why not?

10 A When you're a career politician, you're not going to be  
11 flashy because when you have to go to a popular election, then  
12 voters are not going to vote for you.

13 Q In addition to what you've told us about the patrimonial  
14 statements, did the governor take other efforts to conceal  
15 some of his assets?

16 A Well, they would be in the name of the companies or of  
17 straw men, all the properties and assets that were bought,  
18 that were being bought.

19 Q And were you involved in buying houses or properties for  
20 the government using straw men?

21 MS. GOTLIB: Objection, Your Honor.

22 One word? Relevancy.

23 THE COURT: Can't tell you. Overruled for now.

24 Q Just to be clear, you bought those for the governor,  
25 Governor Moreira?

HECTOR VILLARREAL - DIRECT - MS REID 1142

1 A Several.

2 Q Did you ever buy houses for the governor in cash?

3 A In Mexico, I did.

4 Q Did you ever buy other high-value things for the governor  
5 in cash?

6 A Cars, houses, land, ranches.

7 Q Did you ever buy anything in the United States for the  
8 governor with money from the kickbacks?

9 A Yes.

10 Q What did you buy?

11 MS. GOTLIB: Again, Your Honor, objection.

12 THE COURT: Okay. Let's have a sidebar. Government  
13 will give me a proffer.

14 (Continued on the next page.)

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## SIDEBAR CONFERENCE

1143

1                             (Sidebar conference held on the record in the  
2 presence of the Court and counsel, out of the hearing of the  
3 jury.)

4                             THE COURT: What is it all about?

5                             MS. REID: First of all, this is the witness's bad  
6 acts, Your Honor. But second of all --

7                             THE COURT: You are drawing teeth; is that it?

8                             MS. REID: No.

9                             The defense has made this case all about where is  
10 the money. That's a direct quote from their opening. And  
11 from repeated cross-examination, that has been the theme. And  
12 it's very relevant, Your Honor. They've made it relevant and  
13 so it's very -- they've also asked cooperators what they did  
14 with their money on other occasions; it's relevant what was  
15 done with the money in this case.

16                             And also, if they're asking where is the money, it's  
17 important to show the jury that money sometimes is not  
18 traceable in Mexico. It is relevant.

19                             THE COURT: You are going to have to do better than  
20 that.

21                             I mean, first of all, is that money this money?

22                             MS. REID: Well, I think that's very clear that it's  
23 not, Your Honor. That's why I've been asking about the  
24 kickbacks.

25                             But the question is, can you trace all the money in

## SIDEBAR CONFERENCE

1144

1 Mexico when it's in cash? He can speak to that, Your Honor.

2 THE COURT: Call an expert. I mean, he can speak to  
3 one instance where it's not traceable. The jury cannot in its  
4 limited experience draw an inference from that, that that is  
5 what happened here.

6 MS. REID: Well, Your Honor, I understand that.

7 THE COURT: To the extent you think that is -- if  
8 that is what you are going for, just argue it to the jury,  
9 right?

10 MS. REID: Yes, Your Honor.

11 I just would highlight that, A, this has come up on  
12 cross-examination of other witnesses what they did with their  
13 money and, second, these questions are about what he did with  
14 the set of money for -- in a particular instance.

15 THE COURT: If you were telling me you are bringing  
16 out bad acts in order to deflate the defendant bringing those  
17 bad acts, what we call drawing the teeth, I would let you do  
18 that.

19 MS. REID: We're also doing that, Your Honor. All  
20 of this witness's crimes are financial and all -- essentially  
21 all of the 3500 relates to those crimes.

22 THE COURT: I do not see how what he did with the  
23 money and how it was concealed in the United States, I do not  
24 see how that aids the jury in drawing that inference as to  
25 this defendant without broader proof that this happens all the

SIDE BAR CONFERENCE

1145

1 time. Okay? So I am going to sustain the objection.

2 MS. REID: Yes, Your Honor.

3 (End of sidebar conference.)

4 (Continued on the next page.)

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VILLAREAL - CROSS - MS. REID

1146

1 (In open court.)

2 BY MS. REID:

3 Q I'd like to now talk about Genaro Garcia Luna.

4                 During the course of your time in state government  
5 in Coahuila, did you ever meet him.

6 A Yes.

7 Q When did you meet him?

8 A Yes, in 2008, I went with the governor of the state of  
9 Coahuila and other officials in the state to go request funds  
10 for public security projects in our state.

11 Q And what was the Genaro Garcia Luna's role at the time?

12 A Secretary of public security.

13 Q You told us earlier about how state budgets are financed  
14 by federal money.

15                 What role, if any, did the secretariat of public  
16 security have in Coahuila's budget.

17 A Congress is the one that assigns the global budget, both  
18 for the federation and for individual states. After that, the  
19 federal government assigns resources to the different federal  
20 secretariats at the discretion of each secretary for new  
21 projects.

22 Q And as the secretary of public security, did Genaro  
23 Garcia Luna have discretion for how money was spent for  
24 security-related projects?

25 A Yes. With the secretary's authorization you can carry

VILLAREAL - CROSS - MS. REID

1147

1 out new projects.

2 Q And after this first meeting, were there other times that  
3 you met with Genaro Garcia Luna or his staff to discuss  
4 financing for security projects in Coahuila?

5 A There was a second time we were invited to go to this  
6 building where there's high security and high intelligence so  
7 that we could take a tour of the building.

8 Q What is that building called?

9 A At the time, they called it the bunker.

10 Q And when did you go to the bunker?

11 A Beginning 2009.

12 Q What was the bunker?

13 A Well, that building housed some of the most advanced  
14 intelligence systems that analyzed in real time everything  
15 that was going on in every single state; for example,  
16 different indexes. And if you needed to identify a person at  
17 a state, you could do that in real time. It was a very  
18 complex intelligence and security system at the federal level.

19 Q And who gave you a tour of the bunker in 2009 ?

20 A It was given to the governor by Licenciado Genaro  
21 Garcia Luna.

22 Q And were you present?

23 A Yes.

24 Q You've talked about some of the technology.

25 Was there any technology to make recordings in the

VILLAREAL - CROSS - MS. REID

1148

1 bunker.

2 A We were offered a service with the technology where you  
3 could take a cell phone, you would send a text message, and  
4 then from there they could access and analyze all of your  
5 calls, calls you had made in the past. And also there was  
6 this service where you could record said calls.

7 Q What was the name of that technology?

8 A At that time, they called it Pegasus.

9 Q And while you were in the bunker tour, did anyone sample  
10 that for you?

11 A Yes. We were asked to provide a cell phone from one of  
12 the people who were there from the State so that they could  
13 prove and show the service. We gave them the cell phone of  
14 one of the people who was there with us. And then on the  
15 screen you could visualize and see all of the messages from  
16 this person.

17 Q And you said you were offered the technology.

18 Did you and the governor buy that.

19 A No.

20 Q Why not?

21 A Well, we didn't want for the information, the people from  
22 the State, to be heard or to be found that might affect us  
23 later.

24 THE COURT: Ms. Reid, at a good point.

25 MS. REID: This is a good time.

VILLAREAL - CROSS - MS. REID

1149

1 THE COURT: Okay. Lunch, ladies and gentlemen.  
2 Please come back in one hour. That's 10 to 2. Have a good  
3 lunch.

4 (Jury exits.)

5 THE COURT: Okay. Recess. One hour.

6 (Recess taken. )

7 (Continued on the next page.)

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VILLARREAL - DIRECT - MS. REID

1150

1 (Afternoon session.)

2 (In open court.)

3 THE COURTROOM DEPUTY: All Rise.

4 THE COURT: Let's call the jury.

5 (Jury enters the courtroom.)

6 THE COURT: Everyone be seated. Welcome back,  
7 ladies and gentlemen.

8 Please continue, Ms. Reid.

9 BY MS. REID:

10 Q Mr. Villarreal, when we stopped for lunch you were  
11 telling us about some technology called Pegasus, which you  
12 choose not to buy.

13 A Yes.

14 Q Why were you and the governor worried about purchasing  
15 that software?

16 A Well, we thought that if we got that software system  
17 then, well, it was one company that managed that in Mexico.  
18 And there could be people tapping in and listening in to  
19 everybody in the Government. And that company would have all  
20 the information, as would any agency that used it.

21 Q What agency specifically were you worried about listening  
22 to you?

23 A The secretariate of public security.

24 Q At the end of your tour of the bunker, did you meet  
25 directly with Genaro Garcia Luna?

VILLARREAL - DIRECT - MS. REID

1151

1 A Yes.

2 Q Who was present for that meeting?

3 A Mr. Garcia Luna, Professor Moreira and myself.

4 Q You said Professor Moreira, is that the governor you  
5 worked for, Governor Moreira?

6 A Yes, that's correct.

7 Q What did Genaro Garcia Luna say to you in this meeting?

8 A He told Governor Moreira that he needed support, and if  
9 he knew anybody who worked at El Universal. Humberto told  
10 Humberto Moreira that he was very good friends with the owner  
11 of El Universal; and that if he needed anything at all to --

12 MS. GOTLIB: Your Honor, objection --

13 THE COURT: Overruled.

14 A -- at all to just let him know.

15 He said there were some rumors that were starting to  
16 circulate that he had been kidnapped by a cartel and he was  
17 being related to certain people, certain people in the cartel  
18 in Mexico.

19 Q Who made that statement that they had been kidnapped or  
20 rumors of being kidnapped by a cartel?

21 A Mr. Garcia Luna about himself.

22 Q What, if anything, did Garcia Luna ask the governor for?

23 A That if there was any way to get close to, to, to be able  
24 to say that -- he knew this wasn't real, and wanted to know if  
25 there was any way of approaching El Universal.

VILLARREAL - DIRECT - MS. REID

1152

1 Q What did the governor say?

2 A No problem at all.

3 Q Did the governor make any efforts to connect Garcia Luna  
4 with El Universal?

5 A Yes. Yes, yes, he didn't have any problems doing that.

6 Q What is El Universal?

7 A It is the largest newspaper with the most subscriptions  
8 in Mexico.

9 Q Who owns that newspaper?

10 A Mr. Ealy Ortiz.

11 Q Did Ealy Ortiz own that newspaper at the time period of  
12 this conversation?

13 A That's right.

14 Q Did you ever meet Mr. Ealy Ortiz?

15 A Yes.

16 Q How did you meet him?

17 A There were several meetings in Mexico City and Saltillo  
18 Coahuila.

19 Q What was the relationship between Mr. Ealy Ortiz and the  
20 governor?

21 A He was his good buddy.

22 Q I want to show you what is marked for identification as  
23 Government Exhibit 434. Do you recognize this?

24 A Yes.

25 Q What is this?

VILLARREAL - DIRECT - MS. REID

1153

1 A It's a party Mr. Ealy Ortiz's house in Saltillo Coahuila.

2 Q This is a photograph from that party?

3 A That's correct.

4 Q Were you present for that party?

5 A Yes.

6 Q Does this photograph fairly and accurately depict people  
7 you saw at this event?

8 A That's right.

9 MS. REID: I'd ask that Government Exhibit 434 be  
10 admitted into evidence.

11 MS. GOTLIB: No objection, your Honor.

12 THE COURT: Received.

13 (Government Exhibit 434, was received in evidence.)

14 BY MS. REID:

15 Q If you can just tell us, do you see Ealy Ortiz in this  
16 picture?

17 A He's the person wearing blue in the middle.

18 Q Is he the man wearing a blue top and blue pants in the  
19 middle of the picture?

20 A Yes.

21 Q Is Governor Moreira in this picture?

22 A The white shirt and dark pants.

23 Q And where in relation to the left side of the picture is  
24 he? Can you point to him? You can circle on your screen.

25 A Who this?

VILLARREAL - DIRECT - MS. REID

1154

1 Q You can touch the screen. Can you point to us Governor  
2 Moreira?

3 A (Indicating.)

4 Q Can you show us by touch on the screen Mr. Ealy Ortiz?

5 A (Indicating.)

6 Q What is this event?

7 A If memory serves, they were saying they were announcing  
8 that one Ealy Ortiz's daughters had just gotten married, was  
9 going to have a child, and Ealy Ortiz was going to be the  
10 compadre.

11 Q What is a compadre?

12 A It's a -- in Mexico it's somebody that you ask to take  
13 care of your child if something happens to you, somebody who  
14 is very important.

15 Q We can take down the exhibit. Thank you, Ms. Donovan.

16 After this, Genaro Garcia Luna asked for assistance  
17 from the governor. Did the governor broker an arrangement  
18 with Mr. Ealy Ortiz on his behalf?

19 A Yes. He said that the agreement would be 25 million  
20 pesos a month to support him.

21 Q The 25 million pesos, who would that be paid to?

22 A To El Universal.

23 Q After that arrangement was made, were you ever directly  
24 involved in making any payments to El Universal on behalf of  
25 Garcia Luna?

VILLARREAL - DIRECT - MS. REID

1155

1 A On behalf of -- yes, just one.

2 Q Were you involved with the first payment?

3 A Yes.

4 Q What did you do?

5 THE INTERPRETER: Ask to clarify, your Honor?

6 THE COURT: Yes.

7 A Humberto asked me to go to Mexico City with Mr. Sergio  
8 Montanez to make the payment to start the agreement.

9 Q Who did Sergio Montanez work for?

10 A For Mr. Garcia Luna.

11 Q And what did do you?

12 A Went to Mexico City. We went to the offices and went  
13 straight to El Universal to make the arrangement happen.

14 Q Did you go with Sergio Montanez?

15 A That's right.

16 Q What happened at the offices of El Universal?

17 A The person there identified himself as Sergio Montanez,  
18 and he would be the person in charge, according to his  
19 instructions. And they were looking to make sure, between --  
20 that they were looking to make sure that with the  
21 communication between the parties the secretary of public  
22 securities work for the federal Government and the Mexican  
23 citizens would shine.

24 Q Did Sergio Montanez have any money with him?

25 A Yes, he had a small bag with him that had cash inside.

VILLARREAL - DIRECT - MS. REID

1156

1 And he said that the rest was in the SUV in which we came.

2 Q Did you see the cash inside the one bag?

3 A Yes.

4 Q How did you see it?

5 A He opened the bag.

6 Q Where or when did he open the bag?

7 A When we were in the office in El Universal.

8 Q After this, was there ever a time when you paid El  
9 Universal directly on behalf of Genaro Garcia Luna using money  
10 from the state of Coahuila?

11 A That's right.

12 Q Did you do that just one time?

13 A Just one time.

14 Q Did that occur because there was an issue with the form  
15 with which Genaro Garcia Luna had previously been paying El  
16 Universal?

17 A It was a favor that Sergio Montanez asked because the  
18 money had to be paid that day, so an invoice was made and the  
19 money was paid immediately.

20 Q Who created the invoice?

21 A The secretary of finance.

22 Q Were you involved in creating an invoice for that  
23 payment?

24 A I gave the order.

25 Q Why did you give instructions for a receipt?

VILLARREAL - DIRECT - MS. REID

1157

1 A Because I was given the order that it should be paid.

2 Q When you managed the money for the state of Coahuila, did  
3 you generally have to keep track of where the money went?

4 A Yes. The accounting has to be done for the accounts  
5 payable. The invoices are scanned into a system and then  
6 filed.

7 Q Generally, on other occasions when you had invoices for  
8 things that you bought legitimately for the state of Coahuila,  
9 what did you do with the invoices?

10 A Well, they are scanned into a process and then they are  
11 filed. And they are to be reviewed at the end of the term or  
12 when the term is again of the same Government.

13 Q In this case, did you file digitally, scan in and file,  
14 the invoice you created for the payment to El Universal on  
15 behalf of Garcia Luna?

16 A No.

17 Q Why not?

18 A The instruction was to not file it.

19 Q Did you keep the invoice somewhere?

20 A Yes.

21 Q Where did you keep it?

22 A All the payments that would not be consistent with the  
23 accounting, I would keep them in a. Box all the payments for  
24 the public works for services, any payment that was requested  
25 to be made immediately, anything that I thought could be

VILLARREAL - DIRECT - MS. REID

1158

1 harmful for the governor I stored in a separate box.

2 Q Did that include receipts and payments for the kickback  
3 scheme that you told us about earlier?

4 A That's correct.

5 Q I would like to now show you what is marked as Government  
6 Exhibit 440A. I showed it to defense earlier.

7 May I approach, your Honor?

8 THE COURT: Yes.

9 Q Do you recognize that?

10 A It is an invoice to be paid from the secretary of  
11 finance.

12 Q Is this the invoice that you just told us about related  
13 to the payment to El Universal?

14 A That's correct.

15 Q Did you keep this in the manner you just described in the  
16 box?

17 A That's correct.

18 Q How is that receipt here today?

19 A I kept the invoices at my house, and the day I came to  
20 the United States I brought all of those invoices and a server  
21 with me.

22 MS. REID: Your Honor, I ask that Government Exhibit  
23 440A be admitted into evidence.

24 MS. GOTLIB: Subject to our brief objection, your  
25 Honor.

VILLARREAL - DIRECT - MS. REID

1159

1 THE COURT: Okay. Received over objection.

2 (Government Exhibit 440A, was received in evidence.)

3 MS. REID: If I could, your Honor, I have a scanned  
4 in one, it's Government Exhibit 440. I ask that be moved in  
5 as well.

6 THE COURT: Okay.

7 (Government Exhibit 440, was received in evidence.)

8 BY MS. REID:

9 Q If we could just look at this. Can you walk us through  
10 what we see on the screen here under, I think it says,  
11 beneficiary, what does that say?

12 A So the beneficiary is the person who is going to be paid.  
13 And it says El Universal National Journalist Company SADECV.

14 Q Under concepto, can you tell us what that section says?

15 A Publicity campaign to rescue tourism 2009.

16 Q To be clear, was this a receipt for a payment for a  
17 tourism campaign?

18 A No.

19 Q Why does it say that?

20 A Well, because it was -- I knew who the payment was for  
21 and that entity that never happened.

22 Q Was this a receipt for the payment on behalf of Genaro  
23 Garcia Luna?

24 A A favor that Mr. Montanez asked that we pay El Universal.

25 Q What was the amount of the payment?

VILLARREAL - DIRECT - MS. REID

1160

1 A 10 million pesos.

2 Q If it was 10 million, why does it say 11,500,000?

3 A Because the 1.5 million reflected taxes in Mexico.

4 Q What is the date of this?

5 A June 24, 2009.

6 Q I thought you said earlier that the arrangement was for a  
7 \$25 million monthly payment?

8 A Pesos.

9 Q Sorry, pesos. Why did you pay 10 million pesos?

10 A My guess is that it was a favor just to pay the  
11 remainder.

12 Q I want to -- was that the amount that you were asked to  
13 pay?

14 A That's correct.

15 Q I want to just go to the last page of this exhibit. On  
16 the last page -- actually, if you could hold it up for us  
17 also. Is there a Post-It note on the last page?

18 A Yes.

19 Q What does that say?

20 A Do not file. Thank you.

21 Q Why does it say that?

22 A So it wouldn't be scanned.

23 Q Thank you. You can take the exhibit down.

24 Did you ever go to an apartment of Genaro Garcia  
25 Luna's in Mexico City?

VILLARREAL - DIRECT - MS. REID

1161

1 A One time.

2 Q When was that?

3 A In 2010.

4 Q Where in Mexico City was the apartment?

5 A In Santa Fe.

6 Q Can you describe the apartment for us?

7 A It was a luxury apartment. It was on the last floor, it  
8 was the penthouse.

9 Q Anything else you noticed about it?

10 A It was a beautiful apartment. It was open. It had a  
11 big, a terrace, a very big terrace.

12 Q Are you familiar with the Santa Fe neighborhood?

13 A Yes.

14 Q What kind of neighborhood is that?

15 A It's the best place in the entire city in all of Mexico  
16 City.

17 Q How many people were at the apartment?

18 A About 30.

19 Q At the beginning of your time in the apartment, was there  
20 a business meeting?

21 A A talk.

22 Q How long did you stay in the apartment?

23 A Late into the night and a few hours in the middle of the  
24 night.

25 Q Was there any food or drink?

VILLARREAL - DIRECT - MS. REID

1162

1 A Yes.

2 Q Was the food catered? Homemade?

3 A No, it was prepared there.

4 Q Was there any other entertainment?

5 MS. GOTLIB: Your Honor, objection. Sidebar.

6 THE COURT: Okay.

7 (Continued on the next page.)

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SIDE BAR CONFERENCE

1163

1 (Sidebar conference.)

2 MS. GOTLIB: Thank you, your Honor. I anticipate  
3 that what the Government is trying to elicit is that according  
4 to this witness that at this party there were prostitutes. I  
5 believe that is highly prejudicial. We will also note that it  
6 is my understanding that this witness will also concede,  
7 according to him, which doesn't make much sense, that the  
8 prostitutes were there, though --

9 THE COURT: Hang on.

10 No prostitutes, right?

11 MS. REID: That's fine, your Honor. That's fine.

12 THE COURT: You were planning to let in the  
13 prostitutes?

14 MS. REID: As a way of spending money that came out  
15 on cross-examination.

16 THE COURT: No, no, no. This and this, right.

17 MS. REID: That's fine.

18 I want to explain to the Court, I did some leading  
19 there because some of his business dealings related to  
20 kickbacks which we're not getting into it.

21 THE COURT: She's not objecting to leading; she's  
22 objecting to prostitutes.

23 MS. KOMATIREDDY: That's my fault.

24 THE COURT: I'm not blaming anyone, but the whole  
25 Government.

SIDE BAR CONFERENCE

1164

1 MS. KOMATIREDDY: I will say, as part of their money  
2 argument -- cooperators what they spent money on.

3 THE COURT: Cooperators are different than  
4 defendants.

5 MS. KOMATIREDDY: Fair enough.

6 (End of sidebar conference.)

7 (Continued on the next page.)

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VILLARREAL - DIRECT - MS. REID

1165

1                    (In open court.)

2 BY MS. REID:

3 Q        Mr. Villarreal, while you were at this apartment, did you  
4 ever speak with Genaro Garcia Luna directly about the payments  
5 to El Universal?

6 A        It was during the meeting that he said something to  
7 Professor Moreira, not about the payments, but he thanked him.  
8 He said everything was all good, and everything was working as  
9 it should.

10 Q      What did that mean to you?

11 A      That the payments were carried out as they should have  
12 been.

13 Q      Was there ever a time that you went to a residence of  
14 Genaro Garcia Luna anywhere else in Mexico?

15 A      Humberto lived in Cuernavaca, he had a house in  
16 Cuernavaca. And this one day I went to see him. He asked me  
17 to go with him. He asked me to drop him off at Mr. Garcia  
18 Luna house.

19 Q      Where in Cuernavaca was that?

20 A      If I remember correctly, it was called Jukitep (ph),  
21 something like that.

22 Q      Why did you -- why did the governor go there?

23 A      He was going to give him a helicopter ride to Mexico  
24 City. He was going to talk with him.

25 Q      Who was going to give who a helicopter ride?

VILLARREAL - DIRECT - MS. REID

1166

1 A Mr. Garcia Luna was going to give Humberto a ride.

2 Q What did the house look like?

3 A Well, it was large. It was like a hacienda kind of a  
4 house.

5 Q What does that mean?

6 A A really big house.

7 Q What else about it did you notice?

8 A Well, it was a very short amount of time. We stopped by,  
9 we went through security. We were on a patio. We waited for  
10 him to come out and he came out. Humberto went off with him  
11 and that was it.

12 Q What color was the house?

13 A If I remember correctly, it was white.

14 Q Did it have a swimming pool?

15 A I think so. But we weren't there for more than ten  
16 minutes.

17 Q Where did the helicopter take off from?

18 A It was a very large patio in the back.

19 Q During your time in the Coahuila government, did you ever  
20 meet someone named Edgar Veytia?

21 A As far as I know, he was the Attorney General and then I  
22 knew Mr. Sandoval, who the governor of Nayarit, that's who I  
23 knew, Sandoval.

24 Q What is Nayarit?

25 A Another one of the 32 states in the country.

VILLARREAL - DIRECT - MS. REID

1167

1 Q Where was Edgar Veytia, as far as you know, the Attorney  
2 General?

3 A Nayarit.

4 Q When is the last time you saw or spoke to Edgar Veytia?

5 A Well, I met Mr. Sandoval in 2011.

6 Q Do you believe you've seen or spoken to Mr. Edgar Veytia  
7 since then?

8 A No.

9 Q You said you were secretary of finance for Coahuila until  
10 2010, what did you do next?

11 A I was Humberto's consultant as president of the P.R.I  
12 party.

13 Q What is the P.R.I. party?

14 A It is the party that has most been in office in Mexico.

15 Q Is it a political party?

16 A That's correct.

17 Q Are you also familiar with the political party called the  
18 P.A.N.?

19 A Yes.

20 THE COURT: Wait, wait. Do you want him to explain  
21 how he knows that? Let's put another question.

22 He said he's familiar, now what do you want to know?

23 BY MS. REID:

24 Q Okay, in 2012 what party won the election?

25 A P.R.I.

VILLARREAL - DIRECT - MS. REID

1168

1 Q When the presidency changes parties, what happens to the  
2 cabinet in Mexico?

3 A A whole new team comes in to work for the president.

4 Q Are cabinet secretaries changed?

5 A Most of them change, 100 percent.

6 Q What party was Calderon?

7 A P.A.N.

8 Q What party was Fox?

9 A P.A.N.

10 Q What party was Genaro Garcia Luna associated with?

11 A With the P.A.N.

12 Q Earlier you told us about Governor Moreira's efforts to  
13 help other politicians, why did Governor Moreira want to help  
14 Genaro Garcia Luna with the favor you've told us about?

15 MS. GOTLIB: Objection, your Honor.

16 THE COURT: Sustained.

17 Q At some point did you learn that you were under  
18 investigation in the United States for your crimes?

19 A Yes.

20 Q Approximately when was that?

21 A In 2012.

22 Q Earlier you testified about efforts you took to conceal  
23 the illegal money you had taken in kickbacks. Were you  
24 concerned about being arrested for your crimes?

25 A Yes.

VILLARREAL - DIRECT - MS. REID

1169

1 Q What did you do when you learned that you were being  
2 investigated in the United States?

3 A I turned myself in.

4 Q When you came to the U.S., where did you turn yourself  
5 ins?

6 A In El Paso, Texas.

7 Q Who did you turn yourself into?

8 A To the district of San Antonio.

9 Q Did you bring anything with you when you came to the  
10 United States to turn yourself in?

11 A Yes. I brought a server with all the information on it,  
12 and I brought the boxes that had the invoices that I stored  
13 in.

14 Q Did that include the invoice we looked at earlier  
15 Government Exhibit 440 and 440A?

16 A That's right.

17 Q You said you turned yourself into to the District of San  
18 Antonio. Were you arrested by Government authorities in the  
19 U.S.?

20 A Yes.

21 Q After you were arrested, were you in jail for a while?

22 A Yes.

23 Q At some point did you begin meeting with members of the  
24 U.S. Government?

25 A Yes.

VILLARREAL - DIRECT - MS. REID

1170

1 Q Were you truthful in those meetings?

2 A Yes.

3 Q At some point were you released on bail?

4 A Yes.

5 Q About how long after you turned yourself in?

6 A Eight months.

7 Q Did you ultimately plead guilty with a cooperation  
8 agreement with the Government?

9 A That's right.

10 Q Did you plead guilty in two different districts?

11 A Yes.

12 Q What crimes did you plead guilty to?

13 A Conspiracy to launder money.

14 Q What is the maximum term of imprisonment you're facing on  
15 that charge?

16 A From what I understand, it's 20 years.

17 Q Did you also forfeit property that you obtained with  
18 illegal money?

19 A That's right.

20 Q What kind of property?

21 A A storage, some apartments, an apartment that I had on  
22 the beach.

23 Q Did you forfeit bank accounts?

24 A Yes, that's right.

25 Q Under your cooperation agreement, what was your

VILLARREAL - DIRECT - MS. REID

1171

1 understanding of what you have to do?

2 A The only obligation that I had was to talk about what I  
3 talked about when I came to the United States and to tell the  
4 truth.

5 Q Have you previously testified against other public  
6 officials in Mexico?

7 A Yes.

8 Q What, if anything, are you hoping to receive with your  
9 cooperation agreement or as a result of that agreement?

10 A A reduction of my sentence.

11 Q Who decides your sentence?

12 A The judge.

13 Q Has anyone promised you that you will get a reduction in  
14 your sentence?

15 A No.

16 Q Does any part of your cooperation agreement depend on the  
17 outcome of this trial?

18 A No.

19 Q What does it depend on?

20 A The judge.

21 Q What happens if you lie here today?

22 A I'd be committing perjury.

23 MS. REID: One moment.

24 (Continued on next page.)

25

VILLARREAL - CROSS - MS. GOTLIB

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1 MS. REID: No further questions.

2 THE COURT: Cross-examination.

3 MS. GOTLIB: Thank you, Your Honor.

4 CROSS-EXAMINATION

5 BY MS. GOTLIB:

6 Q Good afternoon, Mr. Villarreal. I'm going to be asking  
7 you some questions.

8 A Of course. Good afternoon.

9 Q I'm going to apologize ahead of time. I have terrible  
10 pronunciation for Spanish words, so I apologize to everyone  
11 ahead of time.

12 A No worries.

13 Q I would ask that you respond to all of my questions with  
14 a simple yes or no answer.

15 A Okay.

16 Q And if you feel that you're unable to do that, just let  
17 me know and I can rephrase it or just keep moving on. So just  
18 let me know if that's a problem.

19 A Okay.

20 Q And if at any time you don't understand a question that I  
21 ask, please just say so, and I will try to make it clearer for  
22 you.

23 A Perfect.

24 Q Thank you.

25 Now, you testified that you turned yourself in at

VILLARREAL - CROSS - MS. GOTLIB

1173

1 the U.S. border, I believe, February of 2014, correct.

2 A Yes.

3 Q You turned yourself in because you knew that there were  
4 criminal charges against you in the United States, correct?

5 A Yes.

6 Q But before turning yourself in at the U.S. border, you  
7 were arrested and charged with crimes in Mexico, correct?

8 A Yes.

9 Q And in Mexico, you were charged with making false  
10 documents to obtain loans; is that right?

11 A Yes.

12 Q Very serious charges, fair to say?

13 A That's right.

14 May I say something?

15 Q I'm going to keep asking the questions, but thank you.

16 And if you're convicted of these crimes in Mexico,  
17 you could serve 15 years in a Mexican prison, correct.

18 A Yes.

19 Q And you were released on bond in Mexico, correct?

20 A Yes.

21 Q You served one day in a Mexican prison before being  
22 released on a bond, right?

23 A That's right.

24 Q And part of your bond, you had to promise to a Mexican  
25 judge that you would return to answer the charges against you

VILLARREAL - CROSS - MS. GOTLIB

1174

1 in Mexico, correct?

2 A That's right.

3 Q But instead, the very next day after being released, you  
4 turned yourself in to the U.S. border; is that correct?

5 A Yes.

6 Q And you were arrested in the United States?

7 A Uh-huh.

8 Q Now, you testified that you had been charged and you pled  
9 guilty in two different districts to a money laundering  
10 conspiracy; is that accurate?

11 A That's right.

12 Q But that's not all that you pled guilty to, is it?

13 A I don't understand your question.

14 Q Sure.

15 In addition to pleading guilty to a money laundering  
16 conspiracy, didn't you plead guilty to conspiracy to transport  
17 foreign money -- excuse me. Withdrawn.

18 Didn't you plead guilty to conspiracy to transport  
19 stolen money and foreign commerce, a separate crime from money  
20 laundering conspiracy.

21 A That's right.

22 Q You forgot about that one?

23 A No.

24 Q You just didn't say it when asked what you had pled  
25 guilty to earlier?

VILLARREAL - CROSS - MS. GOTLIB

1175

1 A That's right.

2 Q Okay. And now that crime has its own separate punishment  
3 that you can be subjected to, correct?

4 A I imagine so.

5 Q An additional five years in prison on top of the 20 years  
6 you're facing?

7 A Yes.

8 Q Excuse me. I didn't mean to interrupt you.

9 A No, I imagine if you're saying that, that that is  
10 correct.

11 Q Well, sir, I appreciate that, but I need it to be coming  
12 from you, not from me.

13 If I show you a document to help refresh your  
14 recollection, would that assist you.

15 A No, my question was about if they were crimes that would  
16 stack. I'm not an attorney, and so I wasn't sure.

17 Q Understood. Understood. Yes. And I'm happy to show you  
18 your plea agreement --

19 THE COURT: Ms. Gotlib, he's quite willing to accept  
20 that you tell him, and you have, that they're potentially  
21 consecutive.

22 MS. GOTLIB: Thank you, Your Honor. Moving on.

23 Q And in addition to a potential 25 years, the judge who  
24 sentences you could impose a fine of up to approximately \$  
25 66 million; is that correct?

VILLARREAL - CROSS - MS. GOTLIB

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1 A I don't have knowledge of that fine.

2 Q Are you aware that you could be fined in connection with  
3 your sentencing?

4 A Yes.

5 Q And that your fine could be millions and millions of  
6 dollars?

7 A Yes.

8 Q And you testified that you made \$2.5 million in  
9 connection with the crimes that you committed; is that  
10 correct?

11 A Yes.

12 Q And in connection with pleading guilty, you also, as you  
13 told us, agreed to forfeit certain bank account, money in a  
14 bank account, as well as certain properties, correct?

15 A That's right.

16 Q And I believe that you testified that you forfeited  
17 various apartments; is that correct?

18 A Several properties, yes.

19 Q Several properties.

20 Fair to say you forfeited two apartment complexes.

21 A Yes.

22 Q And one resort and a CVS store?

23 A That's right.

24 Q A storage facility?

25 A That's right.

VILLARREAL - CROSS - MS. GOTLIB

1177

1 Q Two strip malls?

2 A Uh-huh.

3 Q And a Mercedes McLaren ?

4 A That's right.

5 Q And you acquired all of those things with money that you  
6 embezzled from the Mexican government and laundered to the  
7 United States ?

8 A Yes. No -- yes, that's right.

9 Q Thank you.

10 And when you turned yourself in at the U.S. border,  
11 they recovered \$60,000 in cash and a gun from your vehicle; is  
12 that correct.

13 A That's right.

14 Q And after you are sentenced here, you're going to be  
15 deported to Mexico, correct?

16 A If the process is that, then yes, I think that's right.

17 Q The only way to avoid that is if the government  
18 intervenes on your behalf?

19 A It's if the immigration judge allows me to stay here.

20 Q I see.

21 Now, I believe you testified that you were released  
22 after serving eight months in a U.S. prison; is that correct.

23 A That's right.

24 Q So you were released in approximately, by my calculation,  
25 in late 2014?

VILLARREAL - CROSS - MS. GOTLIB

1178

1 A That's correct.

2 Q And since 2014 until present time, have you resided in  
3 the United States?

4 A That's right.

5 Q And you have been able to do that because the government  
6 agreed to grant you something called deferred action, correct?

7 A I don't understand that term, "deferred action."

8 Q Are you a citizen?

9 A No.

10 Q Have you applied for citizenship?

11 A No.

12 Q Have you applied for a visa?

13 A No.

14 Q What is your understanding of how you're able to reside  
15 in the United States for almost a decade without making any --  
16 without applying to become a citizen or having a visa?

17 A I don't know if it's a visa, but we did request asylum.

18 Q You requested asylum.

19 And did the government support that application.

20 A No.

21 Q No.

22 But you're still here.

23 A For now.

24 Q Have you discussed -- are you familiar with the phrase,  
25 "S visa"?

VILLARREAL - CROSS - MS. GOTLIB

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1 A Vaguely.

2 Q And that's something that the government has previously  
3 told you they would apply for on your behalf after your  
4 sentence, correct?

5 A No.

6 Q You have not discussed an S visa with the government at  
7 any point?

8 A No.

9 Q So your testimony is that you have just been allowed to  
10 live here for almost a decade and you're not sure how, why  
11 that is?

12 A It's not that I don't know how. I started the  
13 immigration process when I came here. And after that, up  
14 until now, it's -- it's in process.

15 Q So I believe earlier I had asked you if you had applied  
16 for citizenship, and I believe that your response was no,  
17 correct?

18 A That's correct.

19 Q Thank you.

20 I believe that I asked had you applied for a visa  
21 and your response was no, correct.

22 A Well, my answer to you was, if asylum is a visa, then  
23 correct, yes. If it's not a visa, then no.

24 Q Understood.

25 But my understanding was that asylum had not been

VILLARREAL - CROSS - MS. GOTLIB

1180

1 granted for you.

2 A No, not yet.

3 Q And are you here alone or is your family here with you?

4 A My family is with me.

5 Q And did the government help get them to America?

6 A They came over with me.

7 Q They came over with you?

8 And -- sorry.

9 A Yes. As I was about to cross, they crossed before me.

10 MS. GOTLIB: I'm sorry. I just didn't catch that.

11 Would you mind repeating it.

12 THE INTERPRETER: Yes.

13 A As I was about to cross, they crossed before me.

14 Q Because they weren't in the same car that you were in,  
15 correct?

16 A No.

17 Q Okay. Are you hopeful that, after you're done testifying  
18 here, the government will assist in your ability to stay in  
19 the United States?

20 A I'd like to live my life a little better. I'd like to  
21 be able to stay here. But nobody in the government,  
22 San Antonio government or here, has ever said that they will  
23 help me with my immigration process.

24 MS. GOTLIB: May I have one minute, Your Honor?

25 THE COURT: Yes.

VILLARREAL - CROSS - MS. GOTLIB

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1 MS. GOTLIB: Thank you.

2 Q Earlier I believe you said you were not familiar with the  
3 term "deferred action immigration status."

4 May I show --

5 THE COURT: Wait, wait, wait. We didn't get an  
6 answer.

7 A I don't understand very much about immigration matters,  
8 and I'm not familiar with the term that you are using.  
9 Possibly it has another meaning in a different sense, but not  
10 as deferred action.

11 Q And your understanding is, your immigration status and  
12 whether or not you can stay here has nothing to do with the  
13 government and whether they will support that, correct?

14 A We have a lawyer, we hired a lawyer, and he's the one who  
15 is handling our immigration cases.

16 MS. GOTLIB: Sorry, just one minute, Your Honor.

17 Q Okay. And this lawyer, you spoke with him before you  
18 turned yourself in to the United States at the border,  
19 correct?

20 A I spoke to him on the phone, yes.

21 Q And he explained the --

22 MS. REID: Objection, Your Honor.

23 MS. GOTLIB: I'm willing to proffer I'm not going to  
24 ask anything about the substance of the conversation.

25 THE COURT: Go ahead.

VILLARREAL - CROSS - MS. GOTLIB

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1           Tell the witness to try to answer the questions yes  
2 or no.

3           Go ahead with your question.

4           MS. GOTLIB: Thank you.

5 Q       This isn't your first time testifying as a government  
6 witness, is it?

7 A       No.

8 Q       I will come back to that.

9           I believe you testified on direct that  
10 Mr. Garcia Luna approached yourself and your boss to ask for  
11 assistance with El Universal; is that correct.

12 A       Yes.

13 Q       And one of the reasons that he was concerned, according  
14 to you, was because a story had been reported about an alleged  
15 detainment or kidnapping of him by drug traffickers, correct?

16 A       That's correct.

17 Q       Now, in the nine years that you have been cooperating  
18 with the government, you have met with them numerous times; is  
19 that fair?

20 A       Yes.

21 Q       More than 50 times?

22 A       I haven't counted them, but it has been many times.

23 Q       I have. 61.

24           Does that sound right to you.

25 A       Possibly.

VILLARREAL - CROSS - MS. GOTLIB

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1 Q And those meetings, they were many hours at a time, some  
2 of them, correct?

3 A That's correct.

4 Q So you have met with the government and spoken with them  
5 for hours on end?

6 A That's correct.

7 Q Okay. Now, the first time when you initially referenced  
8 Mr. Garcia Luna to the government, that was in May of 2014  
9 after having met with them for 25 times; does that sound  
10 accurate to you?

11 A It would be hard to give you a number. It was a long,  
12 long time ago. I did meet with the government in 2014, and we  
13 did talk about that topic.

14 Q But fair to say that if I were to tell you that you had  
15 25 meetings with them before you ever mentioned  
16 Mr. Garcia Luna, would that -- I understand you don't know the  
17 exact number, but does that sound likely to you?

18 A Yes.

19 Q If it would be helpful, I can read the dates for you,  
20 but I'm hearing --

21 THE COURT: No, he is accepting it.

22 Ms. Gotlib, at a convenient time, afternoon break.

23 MS. GOTLIB: Sure. Now would be fine, Your Honor.

24 THE COURT: You sure?

25 MS. GOTLIB: Yup.

VILLARREAL - CROSS - MS. GOTLIB

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1 THE COURT: Ladies and gentlemen, 15 minutes.

2 Please do not talk about the case.

3 (Jury exits.)

4 THE COURT: Okay. Recess. 3:30.

5 MS. KOMATIREDDY: Thank you, Judge.

6 (Recess taken.)

7 THE COURT: Let's have the witness and the jury,  
8 please.

9 MS. KOMATIREDDY: Judge, we're just trying to figure  
10 out some witness logistics. If we were to start the  
11 ambassador today, his direct is only 15 minutes, ten or  
12 15 minutes.

13 THE COURT: If we have time, fine.

14 MS. KOMATIREDDY: And then would it be okay to  
15 break early so the cross is first thing in the morning? Is  
16 that okay? I don't know if I could take it to 4:30, is my  
17 point. I don't want to stall unnecessarily.

18 THE COURT: Yes. I mean, if we finish this witness,  
19 then start the ambassador.

20 MS. KOMATIREDDY: Yeah.

21 THE COURT: Maybe you will finish him, maybe you  
22 won't. But we will get to cross today and the defense will  
23 have anything else.

24 MS. KOMATIREDDY: Thank you, Judge.

25 THE COURT: Where is our witness?

VILLARREAL - CROSS - MS. GOTLIB

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1 I guess I will ask the government again.

2 Where is our witness.

3 MS. REID: I'm sorry, Your Honor. They're getting  
4 him. We just clarified that.

5 (Jury enters.)

6 THE COURT: Everyone be seated. Let's continue  
7 cross-examination.

8 MS. GOTLIB: Thank you, Your Honor.

9 CROSS-EXAMINATION (Continuing)

10 BY MS. GOTLIB:

11 Q Thank you. Just a few more questions. We're almost  
12 done.

13 And when I refer to "Mr. Moreira," I'm going to  
14 refer to him as "your boss" or "the governor," because I'm  
15 afraid that I'm not saying his name correctly, so if that's  
16 okay with you.

17 A Perfect.

18 Q Thank you.

19 So you testified that Mr. Garcia Luna came to you  
20 and he came to your boss very, very upset, asking for help; is  
21 that true.

22 A Yes, he wasn't upset; he just asked for support to be  
23 able to do the things.

24 Q He asked for support to be able to do the things.

25 And didn't he tell you that he was angry about these

VILLARREAL - REDIRECT - MS. REID

1186

1 false stories that were being reported about him.

2 A The rumors that were coming out, yes.

3 Q The rumors that were coming out, and that the press was  
4 reporting about him?

5 A Some, some people in the press, yes.

6 Q And he was adamant that those rumors were false, correct?

7 A That he insisted -- that he was adamant?

8 Q He was adamant that those rumors about him were false?

9 A That's right.

10 MS. GOTLIB: No further questions, Your Honor.

11 THE COURT: All right.

12 Any redirect.

13 MS. REID: Just briefly, Your Honor.

14 REDIRECT EXAMINATION

15 REDIRECT EXAMINATION

16 BY MS. REID:

17 Q Mr. Villarreal, you were asked several questions on cross  
18 about your immigration status and how you are currently here  
19 in the United States.

20 Do you currently have a pending criminal case in the  
21 United States .

22 A That's right.

23 Q You were also -- you testified also briefly about an  
24 asylum case you had; is that right?

25 A That's right.

VILLARREAL - REDIRECT - MS. REID

1187

1 Q And did you testify against other Mexican public  
2 officials previously?

3 A That's right.

4 Q You were also asked on cross about meetings you had with  
5 the government.

6 Do you remember those questions.

7 A I didn't understand the question clearly. Sorry.

8 Q That's okay. Let me phrase it differently.

9 You were asked on cross-examination about times that  
10 you met with the government.

11 When you met with the government, did you talk about  
12 many topics.

13 A Yes.

14 Q And did you talk about other government officials and  
15 their crimes?

16 A Well, yes, about everything that had happened, yes.

17 Q Did that include some of the other public officials that  
18 you've testified against?

19 A That's right.

20 Q And back in 2014, the same year you turned yourself in to  
21 the U.S., didn't you speak about Genaro Garcia Luna at  
22 length?

23 A Yes.

24 MS. REID: No further questions.

25 THE COURT: All right. You may step down.

EARL ANTHONY WAYNE - DIRECT - MS. KOMATIREDDY 1188

1 THE WITNESS: Yes, Your Honor. Thank you.

2 THE COURT: Government's next witness.

3 MS. KOMATIREDDY: The government calls  
4 Earl Anthony Wayne.

5 (Witness takes the witness stand.)

6 **EARL ANTHONY WAYNE**, called as a witness, having been first  
7 duly sworn/affirmed, was examined and testified first duly  
8 sworn/affirmed:

9 THE COURTROOM DEPUTY: Please be seated.

10 Please state and spell your name for the court  
11 reporter.

12 THE WITNESS: Earl Anthony Wayne, W-A-Y-N-E.

13 MS. KOMATIREDDY: May I inquire, Your Honor?

14 THE COURT: You may if the witness can find you.

15 MS. KOMATIREDDY: Ambassador.

16 THE COURT: Okay. Proceed.

17 DIRECT EXAMINATION

18 DIRECT EXAMINATION

19 BY MS. KOMATIREDDY:

20 Q Mr. Wayne, what is your current profession?

21 A I am currently a professor at American University and a  
22 public policy fellow at the Woodrow Wilson Center, Mexico  
23 Institute.

24 Q Did you previously serve in Mexico?

25 A I did. I was U.S. ambassador in Mexico from

EARL ANTHONY WAYNE - DIRECT - MS. KOMATIREDDY 1189

1 September 2011 until the end of July 2015.

2 Q Did you have other roles in the foreign service?

3 A I did. I was in the foreign service from 1975 until 2015

4 .

5 Q Can you name some of the countries that you served in?

6 A Sure.

7 I was ambassador in Argentina. I had an  
8 ambassadorial ranked position in Afghanistan. I was assistant  
9 secretary of state for economic and business affairs. I was  
10 the principal deputy assistant secretary of state for Europe.  
11 I was deputy chief of mission at our Mission to the European  
12 Union in Brussels, worked at the National Security Council,  
13 worked for the secretary of state, served in Paris and Rabat,  
14 Morocco, did other jobs.

15 Q Fair to say you were a career diplomat?

16 A Yes.

17 Q What is the core function of a diplomat?

18 A Diplomats work to manage relations between nations. They  
19 work to promote the interests of their country in other  
20 countries and in international organizations. They work to  
21 get to know people in other countries, at times to influence  
22 them or give them messages from their government. They  
23 collect information and assessments and share that back with  
24 their capitals.

25 Q Does that include meeting people?

EARL ANTHONY WAYNE - DIRECT - MS. KOMATIREDDY 1190

1 A It certainly does. That's a very core part of being a  
2 diplomat.

3 Q What does it mean when you meet someone?

4 A It means that you believe that they have a role or they  
5 would have information that would help you better understand  
6 the country where you're working, or that they would have a  
7 role where you would want to deliver a message from your  
8 government or perhaps to participate in cooperation and  
9 collaboration with them because it's in the interest of your  
10 government to do so.

11 Q Does meeting with someone mean that you vouch for them?

12 A It does not.

13 Q Did you ever meet with the defendant, Genaro Garcia Luna?

14 A I did. A number of times.

15 Q In what capacity?

16 A Well, I first called on him after I presented my  
17 credentials to the president of Mexico because he was minister  
18 of public security. And he was one of the key members of the  
19 cabinet with whom we worked.

20 Q Approximately how many times did you meet with him?

21 A Ten to 20 times for sure.

22 Q And what was the general time frame of these meetings?

23 A It was between September 2011 and the end of the term of  
24 President Calderon, which was December 1st, 2012 .

25 Q Did you hear him speak during these meetings?

EARL ANTHONY WAYNE - DIRECT - MS. KOMATIREDDY 1191

1 A I did, yes.

2 Q And I don't mean to be rude, but was there anything  
3 distinctive about the way that he spoke?

4 A He was difficult to understand at times. It seemed like  
5 he was mumbling, but he may have had a stutter. My Spanish  
6 was far from excellent, but it was hard to understand at those  
7 times. And he, in fact, I remember at one point, said: I  
8 know my Spanish might not be easy to understand so we have an  
9 interpreter here to help.

10 Q Did he have the ability to control this mumble or  
11 stutter?

12 A I heard him give public speeches, which I could -- in  
13 Spanish, which I could understand very clearly.

14 Q Did you see others in meetings with him on a regular  
15 basis?

16 A Yes. We would often meet, sometimes the embassy team,  
17 representatives of different agencies and sections and the  
18 leadership of the federal police. And then when I brought  
19 visitors to come to see him from the United States, he would  
20 often have his full -- a large number of his team members  
21 there.

22 Q I'm going to show you a few photos.

23 MS. KOMATIREDDY: If I could please have for the  
24 witness and the jury what is in evidence as Government  
25 Exhibit 1.

EARL ANTHONY WAYNE - DIRECT - MS. KOMATIREDDY 1192

1 Q Do you recognize the individual in this photograph?

2 A I do. That is Mr. Garcia Luna.

3 MS. KOMATIREDDY: If we could please have Government  
4 Exhibit 2, which is in evidence.

5 Q Do you recognize the individual in this photograph?

6 A Yes, I do. He was a senior official with the federal  
7 police and one of the minister's deputy's primary assistants.

8 Q You saw him in those meetings?

9 A Yes, I did. And at public events.

10 MS. KOMATIREDDY: If we could please have Government  
11 Exhibit 3, which is in evidence.

12 Q Do you recognize the individual in this photograph?

13 A Yes, I do. He was another senior member of the federal  
14 police who worked very closely with our DEA.

15 Q And did you also see him in meetings with Mr. Garcia Luna  
16 and with the other individual in Government Exhibit 2?

17 A I did. He was in bigger meetings and sometimes in public  
18 settings also, public events.

19 Q With respect to the individual depicted in Government  
20 Exhibit 3, was there anything distinctive about his  
21 appearance?

22 A Well, he had two -- he had large areas of darker skin on  
23 both sides of his face, one of which you can see in this  
24 photo.

25 Q You mentioned having meetings with Mr. Garcia Luna when

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1 other U.S. officials would come to visit in Mexico.

2                  Were you present during those meetings when other  
3 U.S. officials were hosted by Mr. Garcia Luna in Mexico.

4 A        I was.

5 Q        Can you describe generally the types of officials who  
6 would visit?

7 A        Well, the officials were generally members of the justice  
8 and law enforcement community who were coming to discuss  
9 progress we were making under the Merida Initiative, which was  
10 the U.S. Mexico initiative for dealing with public security  
11 issues. And he would often -- he and his team would give an  
12 update as to what the federal police was doing.

13 Q        What did the typ- -- what did the defendant,  
14 Mr. Garcia Luna, typically do when he hosted these  
15 delegations?

16 A        He would -- we would have a large meeting, a meeting in a  
17 large conference room. He would make some initial remarks.  
18 He would then at times ask other members of his team to talk  
19 about certain topics. There would then be a back-and-forth.

20                  Depending on the makeup of the visiting U.S.  
21 delegation, he might take them to see some other facilities at  
22 the federal police headquarters, particularly their national  
23 intelligence center, which had been constructed but was still  
24 being added to, I guess, especially in the -- it was gathering  
25 intelligence and information. And so he would often show

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1 people that very impressive facility.

2 Q Did you go to that facility?

3 A I did.

4 Q Can you describe what it looked like?

5 A It was built into the ground. It was circular. You  
6 would enter it in a wide, flat path that sort of circled down  
7 into the ground following a curve and went down to what was an  
8 operation center where there were many different operations  
9 going on and many different computer terminals. And there  
10 were big screens up on the walls where they could display  
11 different things.

12 Q Did you visit multiple times?

13 A I would say I was there at least five times.

14 Q Did anything stand out to you during those visits?

15 A Well, there was a lot of activity going on, so there were  
16 certain parts of it where people were getting calls and  
17 responding to them while we were there visiting, yes. And  
18 there are different parts of the intelligence center were  
19 showing different phases of what they were doing, different  
20 activities from around the country.

21 Q You mentioned that one of the things that Mr. Garcia Luna  
22 would do is take people on a tour of this intelligence center.

23 Was there anything else.

24 A Well, later on I remember -- and I -- there was also  
25 under construction new science and forensic center at the

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1 police headquarters. And I certainly remember going on a tour  
2 of that when it was being built.

3 And then at times he would also take people down to  
4 the federal police training facility in the south of Mexico  
5 City. And I remember particularly flying down with a number  
6 of congressmen on some helicopters, Black Hawk helicopters,  
7 and going down there and seeing some tactical displays by  
8 members of the federal police where they were showing their  
9 skills at, you know, going down ropes and working through mock  
10 buildings with arms and things to show that they were breaking  
11 into a place and having riot control, things like that.

12 Q You said you attended these visits several times.

13 Did the presentation vary from time to time.

14 A No, I think they were pretty -- it was pretty standard.  
15 He would talk about the different -- the different functions  
16 that they were going through. I mean, he would give an  
17 update, so over time there might be some things that have  
18 happened that had changed. But it was very much -- there was  
19 a lot of consistency between the presentations.

20 Q How did that strike you?

21 A Well, it -- you know, it was a presentation to show the  
22 progress they were making and the work that was underway, so I  
23 really didn't expect there to be a lot of difference in the  
24 matters that were raised and discussed during the period. I  
25 know they were still -- were still working, and they were

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1 still training people at the facility.

2 And I do remember one time meeting being shown that  
3 this was a group of young recruits that had just come in the  
4 last year or so and were being trained. And Mr. Garcia Luna  
5 would mention that his ambition was to create a law  
6 enforcement force that was as good as the Federal Bureau of  
7 Investigation in the United States.

8 Q And remind us, the time frame for this is 2011 to 2012?

9 A Yes. I arrived in September of 2011, and so it was '11  
10 and '12, yes.

11 Q Did you ever go to Mr. Garcia Luna's -- one of  
12 Mr. Garcia Luna's homes?

13 A I was invited to a dinner at his home, yes, with my wife.

14 Q Can you tell us what you remember about that home?

15 A Well, it was a nice home. Not ostentatious, a nice home.  
16 As I remember, it was built with not a lot of land around it.  
17 The other houses next to it were fairly close. And it was  
18 multistory.

19 And I went in, we had a nice dinner. And the one  
20 thing that stood out to me was there was a very large  
21 saltwater aquarium built into one of the walls.

22 Q Why did that stand out to you?

23 A Well, I'd never seen such a big saltwater aquarium in a  
24 private home before.

25 Q Did you see the defendant after he left office?

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1 A I did see him a few times at receptions and in public  
2 events around Mexico City.

3 Q At these receptions and public events, what kinds of  
4 people were there?

5 A I would say there was a representative group of the  
6 political elites of Mexico City, businesspeople, congressmen,  
7 officials, former officials, diplomats, a wide range of  
8 people.

9 Q Including officials from the government?

10 A I think so.

11 MS. KOMATIREDDY: If I could have a moment,  
12 Your Honor?

13 Q Mr. Wayne, when you described seeing Mr. Garcia Luna at  
14 events after he left office, can you give us an approximate  
15 time frame of when that was?

16 A Well, it was into the new administration, and I don't  
17 really remember how far into that new administration it was.  
18 My -- I don't remember certainly, but I think it was soon  
19 after the change of administrations.

20 MS. KOMATIREDDY: No further questions.

21 THE COURT: All right. Ladies and gentlemen, we are  
22 going to break now for various reasons and send you home a  
23 little bit early.

24 Please remember not to talk about the case amongst  
25 yourselves, stay away from any media coverage of the case.

EARL ANTHONY WAYNE - DIRECT - MS. KOMATIREDDY 1198

1                   Do not do any research on Google or any other search  
2 engine.

3                   And do not place anything on Twitter or Facebook  
4 or -- what other? Like Instagram or anything else that you've  
5 got. Please just put it out of your mind.

6                   We will see you tomorrow morning at 9:30.

7                   (Jury exits.)

8                   THE COURT: Okay. 9:30 tomorrow morning. Thank you  
9 very much. We are adjourned.

10                  (Matter adjourned to Tuesday, February 7, 2023 at  
11 9:30 a.m.)

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**FRANCISCO CANEDO ZAVALETA**

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REDIRECT EXAMINATION BY MS. KOMATIREDDY 1118

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**HECTOR VILLARREAL**

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DIRECT EXAMINATION BY MS. REID 1129

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CROSS-EXAMINATION BY MS. GOTLIB 1172

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REDIRECT EXAMINATION BY MS. REID 1186

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DIRECT EXAMINATION BY MS. KOMATIREDDY 1188

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